

FEDERAL REGISTER

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PART I

(Part II begins on page 10487)

Agencies in this issue—

Agency for International Development
Army Department
Atomic Energy Commission
Civil Aeronautics Board
Coast Guard
Customs Bureau
Defense Department
Engineers Corps
Federal Aviation Administration
Federal Communications Commission
Federal Contract Compliance Office
Federal Maritime Commission
Federal Power Commission
Fish and Wildlife Service
Indian Affairs Bureau
International Joint Commission—
United States and Canada
Interstate Commerce Commission
Land Management Bureau
Maritime Administration
National Aeronautics and Space
Council
Packers and Stockyards
Administration
Securities and Exchange Commission
Small Business Administration
Veterans Administration
Wage and Hour Division

Detailed list of Contents appears inside.



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Contents

AGENCY FOR INTERNATIONAL DEVELOPMENT

- Notices**
Bureau for East Asia Director, Procurement Management, and Chief, Services Contracts Division; redelegation of authority 10463

AGRICULTURE DEPARTMENT

- See Packers and Stockyards Administration.

ARMY DEPARTMENT

- See also Engineers Corps.
Rules and Regulations
Standards of conduct; miscellaneous amendments 10453

ATOMIC ENERGY COMMISSION

- Rules and Regulations**
Procurement, special types and methods and forms; miscellaneous amendments 10457
- Notices**
La Crosse boiling water reactor; proposed issuance of provisional operating authorization to Dairyland Power Cooperative 10467
University of Illinois Board of Trustees; issuance of order authorizing dismantling of facility and proposed issuance of construction permit 10468

CIVIL AERONAUTICS BOARD

- Rules and Regulations**
Copying magnetic tapes of the Board:
Availability to the public 10444
Fees and charges 10445
- Notices**
Hearings, etc.:
Airborne Freight Corp. et al. 10469
Allegheny Airlines, Inc. (2 documents) 10470
Mohawk Airlines, Inc. 10471

COAST GUARD

- Rules and Regulations**
Anchorage grounds; Port of New York and vicinity 10454

COMMERCE DEPARTMENT

- See Maritime Administration.

CUSTOMS BUREAU

- Rules and Regulations**
Liquidation of duties; definition of "benefit" in countervailing duty orders 10445
- Notices**
Ex-factory sales; evidence 10463
Second clear wheat flour; proposed tariff classification 10463

DEFENSE DEPARTMENT

- See also Army Department; Engineers Corps.

Rules and Regulations

- Defense contract financing; miscellaneous amendments 10446

ENGINEERS CORPS

- Rules and Regulations**
Navigation; Mississippi River 10456

FEDERAL AVIATION ADMINISTRATION

- Rules and Regulations**
Federal airways:
Alteration of segments 10443
Extension; correction 10443
Revocation 10444
Restricted area; alteration 10444
Transition areas:
Alteration 10443
Designation 10444

Proposed Rule Making

- Additional control area; withdrawal of proposed designation 10459
Control zone and transition area; designation and alteration 10459
Jet routes and domestic high altitude reporting points; alterations, revocations, and designations (2 documents) 10460

FEDERAL COMMUNICATIONS COMMISSION

- Notices**
Hearings, etc.:
Almardon, Incorporated of Florida et al. 10471
Blue Ridge Broadcasters 10471
Clarkston Broadcasters 10472
Eastern Air Lines, Inc., and American Telephone and Telegraph Co. 10472
Liberty Television and Medford Printing Co. 10472
Radio KYNO, Inc., and International Radio, Inc. 10472
WFRV, Inc. 10473

FEDERAL CONTRACT COMPLIANCE OFFICE

- Notices**
Hearings regarding breach of contracts:
Allen-Bradley Co. 10479
Timken Roller Bearing Co. 10478

FEDERAL MARITIME COMMISSION

- Notices**
Agreements filed for approval:
Farrell Lines, Inc., and Grindrod, Gersigny & Co., (Pty) Ltd., Agents for Unicorn Shipping Lines Group of Coaster Companies 10473
Hamburg-Amerika Linie et al. 10473

FEDERAL POWER COMMISSION

- Notices**
Hearings, etc.:
Otter Tail Power Co. 10473
Tennessee Gas Pipeline Co. et al. 10474

FISH AND WILDLIFE SERVICE

- Rules and Regulations**
Arrowwood National Wildlife Refuge, N. Dak.; hunting 10445

INDIAN AFFAIRS BUREAU

- Notices**
Redelegations of authority:
Billings Area Office superintendents and project engineer 10464
Minneapolis Area Office superintendents 10463

INTERIOR DEPARTMENT

- See Fish and Wildlife Service; Indian Affairs Bureau; Land Management Bureau.

INTERNATIONAL JOINT COMMISSION—UNITED STATES AND CANADA

- Notices**
Raisin Region Conservation Authority; application regarding diversion of water from St. Lawrence River to Raisin River near Cornwall, Ont. 10475

INTERSTATE COMMERCE COMMISSION

- Proposed Rule Making**
Motor service on shipments of new furniture 10461
- Notices**
Motor carriers:
Temporary authority applications (2 documents) 10481, 10483
Transfer proceedings 10484

LABOR DEPARTMENT

- See Federal Contract Compliance Office; Wage and Hour Division.

LAND MANAGEMENT BUREAU

- Notices**
Arizona; classification of public lands for multiple-use management 10464
Authority delegation; Chief, Division of Base Operations, Boise Interagency Fire Center 10464
Colorado; termination of proposed classification of public lands 10465
Proposed withdrawal and reservation of lands:
Montana 10465
Washington 10466

(Continued on next page)

MARITIME ADMINISTRATION**Proposed Rule Making**

Residual value of vessels; adjustments for depreciation..... 10459

NATIONAL AERONAUTICS AND SPACE COUNCIL**Notices**

Special assistant and aerospace assistants; basic compensation.. 10475

PACKERS AND STOCKYARDS ADMINISTRATION**Notices**

Market agencies at St. Louis National Stockyards; petition.... 10466

SECURITIES AND EXCHANGE COMMISSION**Notices****Hearings, etc.:**

Alscope Consolidated, Ltd..... 10475
 Associated Baby Services, Inc. 10475
 Indiana Gas Co., Inc..... 10476
 International Utilities Corp.... 10477
 Northwest Industries, Inc..... 10477
 Zimoco Petroleum Corp..... 10477

SMALL BUSINESS ADMINISTRATION**Notices**

Broadway Capital Corp.; application for transfer of control of licensed small business investment company..... 10477

STATE DEPARTMENT

See Agency for International Development.

TRANSPORTATION DEPARTMENT

See Coast Guard; Federal Aviation Administration.

TREASURY DEPARTMENT

See Customs Bureau.

VETERANS ADMINISTRATION**Rules and Regulations**

Miscellaneous amendments to chapter..... 10456

WAGE AND HOUR DIVISION**Rules and Regulations**

Employment of handicapped clients in sheltered workshops.. 10488

Notices

Certificates authorizing employment of learners at special minimum wages..... 10480

List of CFR Parts Affected

The following numerical guide is a list of the parts of each title of the Code of Federal Regulations affected by documents published in today's issue. A cumulative list of parts affected, covering the current month to date, appears at the end of each issue beginning with the second issue of the month.

A cumulative guide is published separately at the end of each month. The guide lists the parts and sections affected by documents published since January 1, 1968, and specifies how they are affected.

14 CFR

71 (5 documents)..... 10443, 10444
 73..... 10444
 310..... 10444
 389..... 10445

PROPOSED RULES:

71 (4 documents)..... 10459, 10460
 75 (2 documents)..... 10460

19 CFR

16..... 10445

29 CFR

525..... 10488

32 CFR

163..... 10446
 579..... 10453

33 CFR

110..... 10454
 207..... 10456

41 CFR

8-1..... 10456
 8-3..... 10456
 8-10..... 10456
 8-52..... 10456
 9-4..... 10457
 9-16..... 10457

46 CFR**PROPOSED RULES:**

284..... 10459

49 CFR**PROPOSED RULES:**

Ch. X..... 10461

50 CFR

32..... 10445

Rules and Regulations

Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Administration, Department of Transportation

[Airspace Docket No. 68-CE-17]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, CONTROLLED AIRSPACE, AND REPORTING POINTS

Extension of Federal Airway; Correction

On June 26, 1968, F.R. Doc. 68-7529 was published in the FEDERAL REGISTER (33 F.R. 9333), effective August 22, 1968. This document amended Part 71 of the Federal Aviation Regulations by extending VOR Federal airway No. 316 from Sault Ste. Marie, Mich., direct Marquette, Mich., direct Houghton, Mich., direct to Lakehead, Ontario, Canada, excluding the airspace within Canada.

The airway floor for the segment of V-316 between Houghton and the United States/Canadian border should have been segmented so as to coincide with the floors of VOR Federal airway No. 133 presently designated between Lakehead and Houghton. Accordingly, action is taken herein to designate the airway floor for V-316 from the United States/Canadian border 2,600 feet MSL to 10 miles northwest of Houghton thence 1,200 feet AGL to Houghton.

Since this amendment is minor in nature, will not require the designation of additional airspace and will impose no additional burden on any person, compliance with notice and public procedure is unnecessary and the effective date of the final rule as initially adopted is retained.

In consideration of the foregoing effective immediately, F.R. Doc. 68-7529 (33 F.R. 9333) is amended as follows:

In Item b. "12 AGL Houghton, Mich.;" is deleted and "65 miles 26 MSL, 12 AGL Houghton, Mich.;" is substituted therefor.

(Sec. 307(a), Federal Aviation Act of 1958; 49 U.S.C. 1348)

Issued in Washington, D.C., on July 16, 1968.

H. B. HELSTROM,
Chief, Airspace and Air
Traffic Rules Division.

[F.R. Doc. 68-8759; Filed, July 22, 1968; 8:49 a.m.]

[Airspace Docket No. 68-EA-59]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, CONTROLLED AIRSPACE, AND REPORTING POINTS

Alteration of Federal Airway Segments

The purpose of these amendments to Part 71 of the Federal Aviation Regulations is to realign VOR Federal airway No. 72 segment between Cambridge, N.Y., and the Hartness, Vt., intersection and realign VOR Federal airway No. 151 west alternate segment between Keene, N.H., and Lebanon, N.H.

V-72 segment from Cambridge terminates at the Hartness intersection, the present location of the Springfield, Vt., radio beacon. V-151 west alternate segment between Keene and Lebanon also intersects with V-72 segment at the Springfield radio beacon. The State of Vermont Aeronautics Board has advised that the Springfield radio beacon will be relocated from the present site to lat. 43°16'12" N., long. 72°35'12" W., so as to provide lower landing minimums for the Hartness Airport.

Accordingly, action is taken herein to make minor realignments to the segments of V-72 and V-151 west so as to adjust their alignments with the new location of the Springfield radio beacon. The Administrator has, therefore, determined that in the interest of safety, and the efficient utilization of airspace and movement of air traffic, notice and public procedure on these amendments are unnecessary.

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended, effective 0901 G.m.t., October 17, 1968, as hereinafter set forth.

Section 71.123 (33 F.R. 2009, 4404) is amended as follows:

a. In V-72 "Keene, N.H., 341° radials." is deleted and "Keene, N.H., 336° radials." is substituted therefor.

b. In V-151 "Keene 341° and Lebanon 211° radials." is deleted and "Keene 336° and Lebanon 214° radials." is substituted therefor.

(Sec. 307(a), Federal Aviation Act of 1958; 49 U.S.C. 1348)

Issued in Washington, D.C., on July 12, 1968.

H. B. HELSTROM,
Chief, Airspace and Air
Traffic Rules Division.

[F.R. Doc. 68-8761; Filed, July 22, 1968; 8:49 a.m.]

[Airspace Docket No. 68-CE-33]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, CONTROLLED AIRSPACE, AND REPORTING POINTS

Alteration of Transition Area

On pages 6721 and 6722 of the FEDERAL REGISTER dated May 2, 1968, the Federal Aviation Administration published a notice of proposed rule making which would amend § 71.181 of Part 71 of the Federal Aviation Regulations so as to alter the transition area at Mount Vernon, Ill.

Interested persons were given 45 days to submit written comments, suggestions, or objections regarding the proposed amendment.

No objections have been received and the proposed amendment is hereby adopted without change and is set forth below.

This amendment shall be effective 0901 G.m.t., September 19, 1968.

(Sec. 307(a), Federal Aviation Act of 1958; 49 U.S.C. 1348)

Issued in Kansas City, Mo., on July 3, 1968.

EDWARD C. MARSH,
Director, Central Region.

(1) In § 71.181 (33 F.R. 2137), the following transition area is amended to read:

CENTRALIA, ILL.

That airspace extending upward from 700 feet above the surface within a 5-mile radius of Centralia Municipal Airport (latitude 38°30'40" N., longitude 89°05'35" W.); and within 2 miles each side of the Centralia VOR 031° radial extending from the 5-mile radius area to the VOR; and that airspace extending upward from 1,200 feet above the surface bounded by a line beginning at the north boundary of V-446, extending south along longitude 88°35'00" W., to latitude 38°12'00" N.; thence west along latitude 38°12'00" N., to and counterclockwise along the arc of a 40-mile radius circle centered on Scott AFB, Belleville, Ill. (latitude 38°32'30" N., longitude 89°51'05" W.), to and clockwise along the arc of a 13-mile radius circle centered on the Centralia VOR to and counterclockwise along the arc of a 40-mile radius circle centered on Scott AFB to the north boundary of V-446; thence east along the north boundary of V-446 to the point of beginning.

(2) In § 71.181 (33 F.R. 2137), the following transition area is added:

MOUNT VERNON, ILL.

That airspace extending upward from 700 feet above the surface within a 6-mile radius of Mount Vernon Municipal Airport (latitude 36°19'15" N., longitude 88°51'40" W.); within 2 miles each side of the 044° bearing

from Mount Vernon Municipal Airport, extending from the 5-mile radius area to 8 miles northeast of the airport; and within 2 miles each side of the 244° bearing from Mount Vernon Municipal Airport, extending from the 5-mile radius to 8 miles southwest of the airport.

[F.R. Doc. 68-8762; Filed, July 22, 1968; 8:49 a.m.]

[Airspace Docket No. 68-CE-43]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, CONTROLLED AIRSPACE, AND REPORTING POINTS

Designation of Transition Area

On page 7698 of the FEDERAL REGISTER dated May 24, 1968, the Federal Aviation Administration published a notice of proposed rule making which would amend § 71.181 of Part 71 of the Federal Aviation Regulations so as to designate a transition area at Ashland, Mo.

Interested persons were given 45 days to submit written comments, suggestions, or objections regarding the proposed amendment.

No objections have been received and the proposed amendment is hereby adopted without change and is set forth below.

This amendment shall be effective 0901 G.m.t., September 19, 1968.

(Sec. 307(a), Federal Aviation Act of 1958; 49 U.S.C. 1348)

Issued in Kansas City, Mo., on July 3, 1968.

EDWARD C. MARSH,
Director, Central Region.

In § 71.181 (33 F.R. 2137), the following transition area is added:

ASHLAND, MO.

That airspace extending upward from 700 feet above the surface within a 6-mile radius of the New Columbia, Mo., Municipal Airport (latitude 38°48'55" N., longitude 92°13'05" W.); and within 2 miles each side of the Hallsville, Mo., VORTAC 192° radial, extending from the 6-mile radius area to 10 miles south of the VORTAC, excluding the portions which overlie the Columbia, Mo., 700-foot floor transition area.

[F.R. Doc. 68-8763; Filed, July 22, 1968; 8:49 a.m.]

[Airspace Docket No. 68-SW-26]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, CONTROLLED AIRSPACE, AND REPORTING POINTS

Revocation of Federal Airway

On May 2, 1968, a notice of proposed rule making was published in the FEDERAL REGISTER (33 F.R. 6721) stating that the Federal Aviation Administration was considering an amendment to Part 71 of the Federal Aviation Regulations that would revoke V-284 from Fort Stockton, Tex., to San Angelo, Tex.

Interested persons were afforded an opportunity to participate in the proposed rule making through the submission of comments. All comments received were favorable.

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended effective 0901 G.m.t., September 19, 1968, as hereinafter set forth.

In § 71.123 (33 F.R. 2009) V-284 is revoked.

(Sec. 307(a), Federal Aviation Act of 1958; 49 U.S.C. 1348)

Issued in Washington, D.C., on July 16, 1968.

H. B. HELSTROM,
Chief, Airspace and Air
Traffic Rules Division.

[F.R. Doc. 68-8764; Filed, July 22, 1968; 8:49 a.m.]

[Airspace Docket No. 67-WE-81]

PART 73—SPECIAL USE AIRSPACE

Alteration of Restricted Area

The purpose of this amendment to Part 73 of the Federal Aviation Regulations is to extend the time of designation of Restricted Area R-6411, at Hanks-ville, Utah.

On April 4, 1968, a rule was published in the FEDERAL REGISTER (33 F.R. 5352) which redesignated R-6411 with the following time of designation:

Time of designation: May 15, 1968, through August 15, 1968, unless canceled sooner by Notices to Airmen. All subsequent annual firing periods will be designated by a rule published in the FEDERAL REGISTER.

The U.S. Air Force advised that an extension of the time of designation is necessary due to unforeseen revisions of the Pershing missile firing schedule and have requested that it be extended through August 31, 1968.

Since this amendment is made in accordance with the procedures set forth in the previous rule, additional notice and public procedure hereon are unnecessary.

Therefore, action is taken herein to amend Part 73 of the Federal Aviation Regulations, effective 0901 G.m.t., August 15, 1968, as hereinafter set forth.

In § 73.64 (33 F.R. 2339, 5352), the Hanks-ville, Utah, Restricted Area R-6411 as amended by deleting the present time of designation and substituting the following therefor.

Time of designation: May 15, 1968, through August 31, 1968, unless canceled sooner by

Notices to Airmen. All subsequent annual firing periods will be designated by a rule published in the FEDERAL REGISTER.

(Sec. 307(a), Federal Aviation Act of 1958; 49 U.S.C. 1348)

Issued in Washington, D.C., on July 15, 1968.

WILLIAM M. FLENER,
Acting Director, Air Traffic Service.

[F.R. Doc. 68-8765; Filed, July 22, 1968; 8:50 a.m.]

Chapter II—Civil Aeronautics Board SUBCHAPTER B—PROCEDURAL REGULATIONS

[Reg. PR-105, Amdt. 1]

PART 310—INSPECTION AND COPYING OF BOARD OPINIONS, ORDERS, AND RECORDS

Availability of Magnetic Tapes for Copying by the Public

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 18th day of July 1968.

The Board has an inventory of magnetic tapes which have been prepared for statistical purposes from air carrier reports filed with the Board. The Board finds that it is in the public interest to make such tapes available for copying by the public, subject to certain conditions. This will be accomplished by the subject amendment to Part 310 and by an amendment to Part 389 of the Board's Organization Regulations (Fees and Charges for Special Services, 14 CFR Part 389), issued contemporaneously herewith.

Since this regulation is a rule of agency practice and procedure, notice and public procedure hereon are not required. The Board also finds that the need for and the public benefits flowing from making the magnetic tapes immediately available to the public for copying constitute good cause for this amendment to be made effective upon less than 30 days' notice.

Accordingly, the Board hereby amends Appendix A of Part 310 of its Procedural Regulations (14 CFR Part 310), effective on July 23, 1968, to read in part as follows:

¹OR-31, adopted July 18, 1968, effective July 23, 1968.

APPENDIX A

DESCRIPTION AND LOCATION OF RECORDS GENERALLY AVAILABLE

(NOTE: Any item may be withheld from disclosure if exempted, whether or not the item is listed herein.)

Reports of Carriers and Related Material:
Air Carrier Form 41 and 242 Financial and Operational reports.
Magnetic tapes prepared by the Board based upon air carrier reports filed with the Board.
Air Carrier "on time" reports (Form 438).

Office of Secretary, Public Reference Room.
Director, Bureau of Accounts and Statistics.

Office of Secretary, Public Reference Room.

(Sec. 204(a), 72 Stat. 743, 49 U.S.C. 1342(a). Interpret or apply Freedom of Information Act, 81 Stat. 54, U.S.C. 552)

[SEAL]

By the Civil Aeronautics Board.

HAROLD R. SANDERSON,
Secretary.

[F.R. Doc. 68-8749; Filed, July 22, 1968; 8:48 a.m.]

SUBCHAPTER E—ORGANIZATION REGULATIONS

[Reg. OR-31, Amdt. 2]

PART 389—FEES AND CHARGES FOR SPECIAL SERVICES

Copying Magnetic Tapes of the Board

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 18th day of July 1968.

Part 389 of the Board's Organization Regulations (14 CFR Part 389) establishes a system of filing and license fees, and fees for special services. As indicated in PR-105, issued contemporaneously herewith¹ the Board has found that it is in the public interest to permit the public to have copies made of magnetic tapes prepared by the Board from air carrier reports filed with the Board. By the subject amendment, the Board is establishing the procedures for obtaining tapes for copying, the conditions under which such tapes shall be furnished, and the charges in connection therewith.

Since this regulation is a rule of agency practice and procedure, notice and public procedure hereon are not required. The Board finds that the charges set forth in this amendment are fair and equitable "taking into consideration direct and indirect cost to the government" (see 31 U.S.C. sec. 483a).² The Board also finds that the need for and the public benefits flowing from making the magnetic tapes immediately available to the public for copying constitute good cause for this amendment to be made effective upon less than 30 days' notice.

Accordingly, the Civil Aeronautics Board hereby amends Part 389 of its Organization Regulations (14 CFR Part 389), effective July 23, 1968, as follows:

1. Amend the table of contents by adding a new § 389.14a, as follows:

Sec.
389.14a Furnishing magnetic tapes for copying.

2. Add new § 389.14a entitled "Furnishing magnetic tapes for copying" to read as follows:

§ 389.14a Furnishing magnetic tapes for copying.

(a) The Director, Bureau of Accounts and Statistics, will furnish, upon written request, one or more magnetic tapes prepared by the Board from air carriers reports filed with the Board, to members of the public for copying by a reputable computer service bureau of the applicant's choosing and at applicant's expense. A fee of two hundred dollars (\$200.00) for each tape or portion thereof will be charged for permission to make a copy. The request shall include a complete description of the data sought as well as the period or periods of time to which such data relate. The applicant shall undertake to return the tapes to the Board within such time period as may be prescribed by the Director, Bureau of Accounts and Statistics. The applicant, or his agent, shall agree to bear the cost of replacing any tape which may be damaged or destroyed.

¹PR-105, adopted July 18, 1968, effective July 23, 1968.

²The \$200 charged for the privilege of copying each tape is a judgment figure, and takes into consideration the estimated cost of producing the data bank, the probable number of users of the tapes, and the charges imposed for copies of comparable tapes by other persons.

(b) Where the tape contains data exempt from disclosure pursuant to 5 U.S.C. 552(b) or which have been withheld from public disclosure by the Board, the Director, Bureau of Accounts and Statistics, may arrange for the copying of the nonconfidential portion of the tape, at the applicant's expense, by the Board facility or by an outside contractor selected by the Board. When the copying is performed by the Board, the charge for the copying will be seventy-five dollars (\$75.00) per computer-metered hour or fraction thereof. Whenever the authority provided by this paragraph is invoked, the applicant shall also pay a fee of \$200.00 per tape for the privilege of copying.

(Sec. 204(a) of the Federal Aviation Act of 1958, 72 Stat. 743, 49 U.S.C. sec. 1324(a); and 65 Stat. 290, 31 U.S.C. sec. 483a)

By the Civil Aeronautics Board.
[SEAL] HAROLD R. SANDERSON,
Secretary.

[F.R. Doc. 68-8753; Filed, July 22, 1968; 8:48 a.m.]

Title 19—CUSTOMS DUTIES

Chapter I—Bureau of Customs, Department of the Treasury

[T.D. 68-184]

PART 16—LIQUIDATION OF DUTIES

Definition of "Benefit" in Countervailing Duty Orders

Section 303 of the Tariff Act of 1930 (19 U.S.C. 1303) provides for the assessment of an additional duty equal to the amount of any bounty or grant which has been paid or bestowed upon the manufacture or production or export of any imported dutiable article or merchandise.

A question has been raised whether countervailing duty is applicable to a particular entry or withdrawal of imported merchandise which is of the type described in a countervailing duty order, but which does not in fact receive the bounty or grant being countervailed. To make it clear that such countervailing duty shall be assessed only upon merchandise upon which the bounty or grant has been or will be paid or bestowed, § 16.24(e) of the Customs Regulations is amended by adding at the end thereof the following, which is declaratory of Treasury interpretation of such orders: "Any merchandise subject to the terms of the order shall be deemed to have

benefited from a bounty or grant if such bounty or grant has been or will be paid or credited, directly or indirectly, upon the manufacture, production, or exportation of such merchandise."

This amendment is effective upon publication of this Treasury Decision in the FEDERAL REGISTER.

(R.S. 251, secs. 303, 624, 46 Stat. 687, 759; 19 U.S.C. 66, 1303, 1624)

[SEAL] EDWIN F. RAINS,
Acting Commissioner of Customs.

Approved: July 17, 1968.

JOSEPH M. BOWMAN,
Assistant Secretary
of the Treasury.

[F.R. Doc. 68-8734; Filed, July 22, 1968; 8:47 a.m.]

Title 50—WILDLIFE AND FISHERIES

Chapter I—Bureau of Sport Fisheries and Wildlife, Fish and Wildlife Service, Department of the Interior

SUBCHAPTER C—THE NATIONAL WILDLIFE REFUGE SYSTEM

PART 32—HUNTING

Arrowwood National Wildlife Refuge, N. Dak.

On page 8229 of the FEDERAL REGISTER of June 1, 1968, there was published a notice of a proposed amendment to § 32.21 of Title 50, Code of Federal Regulations. The purpose of this amendment is to provide public hunting of upland game on the Arrowwood National Wildlife Refuge, N. Dak., as legislatively permitted.

Interested persons were given 30 days in which to submit written comments, suggestions, or objections with respect to the proposed amendment. No comments, suggestions, or objections have been received. The proposed amendment is hereby adopted without change.

Since this amendment benefits the public by relieving existing restrictions on hunting, it shall become effective upon publication in the FEDERAL REGISTER.

(Sec. 10, 45 Stat. 1224, 16 U.S.C. 7151, as amended; sec. 4, 80 Stat. 927, 16 U.S.C. 668dd)

Section 32.21 is amended by the following addition:

§ 32.21 List of open areas; upland game.

* * * * *
NORTH DAKOTA
ARROWWOOD NATIONAL WILDLIFE REFUGE
* * * * *

A. V. TUNISON,
Acting Director, Bureau of
Sport Fisheries and Wildlife.

JULY 18, 1968.

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Title 32—NATIONAL DEFENSE

Chapter I—Office of the Secretary of Defense

SUBCHAPTER E—DEFENSE CONTRACTING

PART 163—DEFENSE CONTRACT FINANCING REGULATIONS

Miscellaneous Amendments

The following amendments to this Part 163 are issued by direction of the Assistant Secretary of Defense (Installations and Logistics) pursuant to authority contained in Department of Defense Directive No. 4105.30, dated March 11, 1959 (24 F.R. 2260), as amended, and 10 U.S.C. 2202.

1. Section 163.14 is revised; new paragraph (e) is added to § 163.15; and §§ 163.71, 163.72, 163.72-1, 163.72-2, 163.72-3, and 163.72-4 are revised, as follows:

§ 163.14 Acceleration of payments.

Payments must be made promptly on all contracts when due. It is of continuing importance that there be acceleration of all proper payments earned by contractors, including progress payments. Undue delays by the Government in determining amounts due to contractors or in making timely payment of amounts earned by contractors would impose financing burdens on contractors and may amount to extensions of credit by contractors to the Government. Contracting officers should give favorable consideration to reasonable requests for billing more frequently than monthly.

§ 163.15 Timely action.

(e) Appropriate release of any withholdings deemed unnecessary on contracts where deliveries and services have been completed and amounts are being withheld pending final settlements.

§ 163.71 Obligations.

Nothing in this part shall be construed to authorize payment of more than the amount obligated on a contract.

§ 163.72 Customary progress payments.

(a) Certain contracts may require contractor's predelivery or unbillable partial performance expenditures that will have a material impact on the contractor's working funds. These include production contracts which involve a long "lead time" or preparatory period, normally involving 6 months or more between the beginning of work and the first production delivery. They also include some contracts for research and development and some contracts for services which have a long time period of approximately 6 months or more between the beginning of work and the first opportunity to bill and receive payment for a significant element of contract performance. Progress payments are customary at the uniform standard percentages of total costs (§§ 163.72-1 and 163.72-2), on this category of contracts

and on letter contracts contemplating a definitive fixed price type of contract. Length of lead time, or length of the time period within which billings for deliveries or for significant partial performance cannot be accomplished, are not a factor in qualifying letter contracts and their superseding definitive contracts for customary progress payments. Percentages above uniform standard percentages are regarded as unusual, and not within the category of customary progress payments (§ 163.74).

(b) The long lead time or preparatory period in these cases, and the accompanying predelivery or prepartial performance billing expenditures that may have a material impact on the contractor's working funds, and the equivalent circumstances of letter contracts and their superseding definitive contracts, are regarded as making these customary progress payments reasonably necessary. The general preference for private financing is not applicable to this class of cases. Provision for customary progress payments will be made as a matter of course when requested by contractors who are known (from experience or adequate preaward investigation) to be reliable, competent, capable of satisfactory performance, in satisfactory financial condition, and to have an adequate accounting system and controls. In such cases, it is not necessary to require projections of cash receipts and expenditures or other demonstration of actual reasonable need for progress payments. However, in order to minimize administrative effort and expense, progress payments will be discouraged on relatively small contracts of the stronger and larger contractors who are not small business concerns, e.g., contracts for less than \$1 million, unless the circumstances of a group of such contracts, for contemporaneous performance, make such contracts the approximate equivalent of a larger contract that would have a material impact on the contractor's working funds. If a small business concern, and the contract involved, meet the above standards for customary progress payments, the smallness of the contract shall not deter the making of provision for customary progress payments to such small business concerns.

§ 163.72-1 Uniform standard percentages—contracts existing before March 1, 1968.

The uniform standard percentages for progress payments on contracts existing before March 1, 1968, including all orders under or modifications of those contracts whether or not involving additional work or quantities, will remain at 70 percent of total costs, or 75 percent of total costs for negotiated contracts of small business concerns and those contracts awarded by "Small Business Restricted Advertising" or pursuant to the procedure of § 163.73-3 for progress payments exclusively for small business. Higher percentages for these existing contracts will continue to be regarded as unusual (§ 163.74), and not within the category of customary progress pay-

ments, notwithstanding any contract provision. The progress payment percentage on contracts existing before March 1, 1968, shall not be increased, for whatever reason, unless authorized in conformity with the standards and procedures of § 163.74.

§ 163.72-2 Uniform standard percentages—contracts made on or after March 1, 1968.

For new contracts, that is, those entered into on or after March 1, 1968, the uniform standard progress payment rate is 80 percent of total costs for firms which are not small business concerns, and for progress payments incident to procurement by formal advertising (§ 163.73-1). For new contracts negotiated with small business concerns, and for new procurement by Small Business Restricted Advertising (§ 163.73-2) or pursuant to § 163.73-3, the uniform standard progress payment rate is 85 percent of total cost. These new uniform standard progress payment rates also apply to letter contracts awarded on or after March 1, 1968, and to definitive fixed price types of contracts which supersede letter contracts on or after March 1, 1968, regardless of the date of award of the superseded letter contract. Higher percentages for new contracts will be regarded as unusual (§ 163.74) and not within the category of customary progress payments.

§ 163.72-3 Indefinite quantity contracts—basic ordering agreements.

For indefinite quantity contracts (§ 3.409-3 of this chapter) and basic ordering agreements (§ 3.410-2 of this chapter) contemplating requisitions, delivery orders, work orders, task orders, job orders or their equivalent, if the contractor meets all other requirements for customary progress payments, the decision as to whether progress payments come within the customary category will depend upon estimates of the amount of work expected to be done, and the production lead time expected to be necessary for the major part of the work anticipated. In these cases, provision for progress payments in the indefinite quantity contract or basic ordering agreement may be deemed customary if the amounts involved, and the production lead time, will result in the substantial equivalent of the customary progress payments. The standards for unusual progress payments govern when progress payments are not of the customary type.

§ 163.72-4 Administration.

When progress payments are provided in the cases mentioned in § 163.72-3, (a) the contract price is deemed to be the total of the amount of requisitions, delivery orders, work orders, task orders or their equivalent issued under the basic contract, (b) costs for progress payment purposes are the costs allocable to all such requisitions, etc., and (c) payments and liquidations will be handled in the same way as if all such requisitions, etc., constituted work under a single fixed-price type contract.

2. Sections 163.73-1(a), 163.73-2, 163.73-4, 163.74 (b) and (c), 163.75, 163.77, 163.78-7, 163.78-8, and 163.78-9 are revised to read as follows:

§ 163.73-1 Progress payment provision in invitations for bids.

(a) When progress payments are contemplated, the invitations for bids shall state that upon written request by the prospective contractor a progress payment clause (to be included in the invitations for bids or identified by appropriate reference therein, and to be the § 163.79-1 contract clause at 80 percent of total costs) will be included in the contract at the time of award. These invitations for bids providing for progress payments shall also state that the need for progress payments conforming to regulations will not be considered as a handicap or adverse factor in the award of contracts, and that bids including requests for progress payments will be evaluated on an equal basis with bids not including requests for progress payments.

§ 163.73-2 Small business restricted advertising.

The above policy and standards also apply to procurement by "Small Business Restricted Advertising," except that in "Small Business Restricted Advertising" (and also for procurement to § 163.73-3), when deemed reasonably necessary, provision may be made for progress payment percentage at 85 percent of total costs.

§ 163.73-4 Notice to bidders.

Those invitations for bids that make provision for progress payments (§ 163.73-1) should contain substantially the following notice to bidders:

PROGRESS PAYMENTS

The need for progress payments conforming to regulations (Appendix E, Armed Services Procurement Regulation) will not be considered as a handicap or adverse factor in the award of contracts. Bidders desiring progress payments in accordance with the Progress Payment clause attached hereto, shall include a written request therefor in their bids, and bids including requests for progress payments will be evaluated on an equal basis with bids not including a request for progress payments. If a bid does not contain a request for progress payment provision, the Progress Payment clause will not be included in the contract as awarded.

§ 163.74 Unusual progress payment; standards; procedure.

(b) Such cases must involve a preparatory period requiring contractor's pre-delivery expenditures that are large in relation to the contract price and in relation to the contractor's working capital and credit. Contract provisions for progress payments in this category will be only supplementary to private financing, including guaranteed loans, in amounts necessary for contract performance. The percentage rates for progress payments in this category will be determined on a minimum basis commensurate with the contractor's production schedule requirements and mini-

mum inventory lead time, with due regard to the contractor's projected cash needs, cash resources and their planned application.

(c) All requests involving progress payments at rates exceeding uniform standard percentages (§§ 163.72, 163.73) of total costs, if regarded favorably by the Head of a Procuring Activity (§ 1.201-7 of this chapter) or by a specially designated general or flag officer within a procuring activity, will be forwarded, with supporting information, for approval of a designated office or person at Departmental Headquarters of the Department directly concerned. Such office or person may be the contract financing office at Departmental headquarters or such person or persons, located at Departmental headquarters and responsible to the Under or Assistant Secretary responsible for the comptroller function, as may be designated for this purpose by such Under or Assistant Secretary. Such requests, before approval, will be coordinated speedily with representatives of the other Departments and of the Assistant Secretary of Defense (Installations and Logistics). Progress payments at uniform standard rates (§ 163.72) on letter contracts and on definitive contracts superseding letter contracts are not deemed unusual.

§ 163.75 Accounting system and controls.

The contractor's accounting system and controls must be adequate for the proper administration of progress payments. If the contractor's accounting system and controls have been found (by experience or by the Defense Contract Audit Agency) to be sufficient and reliable for segregation and accumulation of contract costs, no further examination should be necessary so long as the efficiency and reliability of the contractor's system and controls are maintained. In all doubtful cases, including contracts with whom the Defense Contract Audit Agency has had no experience within the next preceding 12 months, the adequacy of the contractor's accounting system and controls shall be determined, and any necessary changes accomplished, before inclusion of a Progress Payment clause in a contract. For this purpose, the services of the Defense Contract Audit Agency should be utilized to the greatest extent practicable. See § 163.89.

§ 163.77 Advance payments.

When advance payments and progress payments are authorized in the same contract, progress payment percentages will not exceed the uniform standard percentages mentioned in §§ 163.72 and 163.73. In these cases, the words "less unliquidated advance payments" may be deleted from paragraph (a) (3) (ii) of the progress payment clause (§ 163.79-1) in the discretion of the contract financing office (§ 163.26).

§ 163.78-7 Contract price.

The term "contract price" means the total amount fixed by the contract (other than any portion of the contract specifically providing for cost reimburse-

ment only), as amended, to be paid for complete performance of the contract. If the contract provides for escalation or for redetermination of price, this term means the initial price until changed and not the ceiling price. Except as provided in § 163.81-2(b), if the contract is of the incentive type, the term means the ceiling or maximum price, until final pricing, even though an amount above the target price may not have been obligated on the contract. For contracts of the incentive type, this definition will be applied the same as if it had been in effect at the date of award of the contract, without requiring consideration from the contractor. For purposes of administration of contracts under which there are incentive type subcontracts with a subcontract progress payment clause (§ 163.82), this definition will also apply to those subcontracts. For letter contracts and similar preliminary contractual instruments, this term means the maximum expenditure authorized by the contract, as amended.

§ 163.78-8 Amendments, supplements, and modifications.

The terms "amendment," "supplement," and "modification" are used interchangeably, and whenever one of these terms is used it includes the others. The term "new contract," as used herein, does not include "amendments." See § 163.72-2.

§ 163.78-9 Deviation.

The term "deviation" means (a) any change, addition to, or deletion from the contract clause and certificate form required by this subpart; (b) any contract provision, outside the Progress Payment clause, which would have the effect of altering or changing the effect of the Progress Payment clause provided herein; and (c) any variation from this part. Actions pursuant to § 163.80-6 are not deviations.

3. Section 163.79 is revised; in § 163.79-1, the clause heading and clause paragraphs (a), (b), and (j) (1) and (2) are revised; and §§ 163.80, 163.80-2, 163.80-3, 163.80-4, 163.80-5, and 163.80-6 are revised, as follows:

§ 163.79 Contract clause.

Subject to the instructions in §§ 163.80 and 163.81, the following Progress Payment clause shall be used when progress payments are to be made to a contractor based upon a percentage of costs.

§ 163.79-1 Progress Payment clause.

PROGRESS PAYMENT (MAY 1968)

Progress payments shall be made to the Contractor as work progresses, from time to time upon request, in amounts approved by the Contracting Officer upon the following terms and conditions:

(a) *Computation of amounts.* (1) Unless a smaller amount is requested, each progress payment shall be (i) 80 percent of the amount of the Contractor's total costs incurred under this contract plus (ii) the amount of progress payments to subcontractors as provided in (j) below; all less the sum of previous progress payments.

(2) The Contractor's total costs ((a) (1) (i)) shall be reasonable, allocable to this

contract, and consistent with sound and generally accepted accounting principles and practices. However, such costs shall not include (i) any costs incurred by subcontractors or suppliers, or (ii) any payments or amounts payable to subcontractors or suppliers, except for completed work (including partial deliveries) to which the Contractor has acquired title and except for amounts paid or payable under cost-reimbursement or time and material subcontracts for work to which the Contractor has acquired title, or (iii) costs ordinarily capitalized and subject to depreciation or amortization except for the properly depreciated or amortized portion of such costs.

(3) The amount of unliquidated progress payments shall not exceed the lesser of (i) 80 percent of the costs mentioned in (a) (1) (i) above, plus any unliquidated progress payments mentioned in item (a) (1) (ii) above, both of which are applicable only to the supplies and services not yet delivered and invoiced to and accepted by the Government, or (ii) 80 percent of the total contract price of supplies and services not yet delivered and invoiced to and accepted by the Government, less unliquidated advance payments.

(4) The aggregate amount of progress payments made shall not exceed 80 percent of the total contract price.

(5) If at any time a progress payment or the unliquidated progress payments exceed the amount permitted by this paragraph (a), the Contractor shall pay the amount of such excess to the Government upon demand.

(b) *Liquidation.* Except as provided in the clause entitled "Termination for Convenience of the Government," all progress payments shall be liquidated by deducting from any payment under this contract, other than advance or progress, the amount of unliquidated progress payments, or 80 percent of the gross amount invoiced, whichever is less. Repayment to the Government required by a retroactive price reduction will be made after calculating liquidations and payments on past invoices at the reduced prices and adjusting the unliquidated progress payments accordingly.

(j) *Progress payments to subcontractors.* (1) The amount mentioned in item (a) (1) (ii) above shall be the sum of (i) all the progress payments made by the Contractor to his subcontractors and remaining unliquidated, and (ii) unpaid billings for progress payments to subcontractors which have been approved for current payment in the ordinary course of business, when under subcontracts which conform to (2) below.

(2) Subcontracts on which progress payments to subcontractors may be included in the base for progress payments pursuant to paragraph (a) of this clause are limited to those subcontracts in which there is expected to be a long "lead time," approximating 6 months or more between the beginning of work and the first delivery, containing subcontract progress payment provisions which (i) are substantially similar to and as favorable to the Government as this "Progress Payments" clause, no more favorable to the subcontractor than this clause is to the Contractor and on a basis of not more than 80 percent of total costs (except that this percentage may be 85 percent of total costs for those subcontractors which are small business concerns), and (ii) make all rights of the subcontractor with respect to all property to which the Government has title under the subcontract subordinate

to the rights of the Government to require delivery of such property to it in the event of default by the Contractor under this contract or in the event of the bankruptcy or insolvency of the subcontractor.

§ 163.80 Instructions for Progress Payment clause.

The instructions below apply to the clause set forth in § 163.79-1.

§ 163.80-2 Uniform standard percentages; paragraphs (a) and (b) of clause.

For new contracts entered into on or after March 1, 1968 (§ 163.72-2), except as provided in §§ 163.80-3, 163.80-4, and 163.80-5, the figure of 80 percent stated in paragraphs (a) (1) (i), (a) (3) (i), (a) (3) (ii), (a) (4), and (b) of the clause in § 163.79-1 is the uniform standard and only percentage for use in those paragraphs for procurement by formal advertising (§ 163.73-1), letter contracts, indefinite quantity contracts, negotiated price competitive contracts, and other contracts awarded without cost analysis (§ 3.807-2 of this chapter) and negotiation of a profit rate.

§ 163.80-3 Uniform standard percentages; certain contracts of small business concerns; paragraphs (a) and (b) of clause.

For certain new contracts entered into with small business concerns on or after March 1, 1968 (§ 163.72-2), except as provided in §§ 163.80-4 and 163.80-5, a figure of 85 percent shall be specified in paragraphs (a) (1) (i), (a) (3) (i), (a) (3) (ii), (a) (4), and (b) of the clause in § 163.79-1. This applies only to procurement by "Small Business Restricted Advertising" (§ 163.73-2), procurement pursuant to § 163.73-3, letter contracts with small business concerns, negotiated indefinite quantity contracts with small business concerns, negotiated price competitive contracts with small business concerns, and other contracts awarded to small business concerns without cost analysis (§ 3.807-2(c) of this chapter) and negotiation of a profit rate. For percentages for all procurement by formal advertising (§ 163.73-1), see § 163.80-2.

§ 163.80-4 Percentages for paragraphs (a) (3) (ii) and (a) (4) of clause; contracts with negotiated profit rate.

For all new contracts entered into on or after March 1, 1968 (§ 163.72-2), involving cost analysis (§ 3.807-2(c) of this chapter) and a negotiated profit rate, percentages lower than those prescribed by §§ 163.80-2 and 163.80-3 shall be specified in paragraphs (a) (3) (ii) and (a) (4) of the clause in § 163.79-1 if a lower percentage is specified in paragraph (b) of the clause. For these contracts, the percentage to be specified in paragraphs (a) (3) (ii) and (a) (4) of the clause shall be exactly the same as the percentage used in paragraph (b) of the clause, as fixed pursuant to § 163.81-2.

§ 163.80-5 Unusual percentages.

For unusual progress payments (§ 163.74), the percentage used for paragraph (a) (1) (i) of the clause in § 163.79-

1 will also be specified in (a) (3) (i). For these contracts, if a percentage lower than the percentage used for (a) (1) (i) is stated in paragraph (b) of the clause pursuant to § 163.81-2, the exact percentage stated in (b) shall also be specified in paragraph (a) (3) (ii) and (a) (4) of the clause.

§ 163.80-6 Other protective provisions.

When deemed reasonably necessary for the protection of the Government, the clause set forth in § 163.79-1 may be supplemented by additional protective provisions, such as personal or corporate guarantees, subordinations or standbys of indebtedness, special bank accounts, and other protective covenants of the kinds outlined in paragraph (r) of § 163.64-2. When first article approval is required (Subpart S, Part 1 of this chapter), additional protective provisions may be useful and reasonably necessary. These will be as deemed suitable to the circumstances, in the discretion of the contracting officer. By way of example, these additional protective provisions may recite that until first article approval (§ 1.1901 of this chapter) there shall be no progress payments, or that the aggregate of progress payments shall be limited to a stated amount, or to a stated percentage (less than the percentage used in paragraph (a) (i) of the clause in § 163.79-1) of the contract price.

4. Sections 163.81, 163.81-1, 163.81-2, 163.81-3, 163.82, 163.82-1, and 163.82-2 are revised; § 163.82-3 is revoked; and §§ 163.83 and 163.84 are revised, as follows:

§ 163.81 Progress payment liquidation.

Controlling principles for liquidation of progress payments based on costs, and for specification of a percentage in paragraph (b) of the clause (§ 163.79-1) are set out below.

§ 163.81-1 Ordinary method.

See §§ 163.80-2 and 163.80-3. The percentages specified by §§ 163.80-2 and 163.80-3 for paragraph (b) of the Progress Payment clause (§ 163.79-1) represent the ordinary method for liquidation of progress payments, i.e., the percentage for progress payments stated in (a) (1) (i) of the clause will also be the percentage for liquidation stated in (b) of the clause.

§ 163.81-2 Alternate method—contracts with negotiated profit rate.

(a) See § 163.80-4. The ordinary method for liquidation of progress payments (§ 163.81-1) will not apply if, at the inception of a contract (on the basis of satisfactory cost estimates) or thereafter by amendment (based on satisfactory data on cost experience and estimated future costs) the parties shall agree on a percentage rate of liquidation which will (1) effect liquidation of the amount of progress payments involved in each invoice from which liquidation of progress payments is to be made (i.e., recovery of the portion of costs for which progress payments have been made), (2) permit payment to the contractor of not

¹ For lower percentages for this paragraph (b) and for (a) (3) (ii) and (a) (4), see § 163.81-2.

more than the cost of items delivered and accepted (less allocable progress payments) and his earned profit on those items, and (3) insure that unliquidated progress payments will not exceed the amount permitted by paragraph (a)(3) of the Progress Payment clause of the contract (§ 163.79-1(a)(3)).

(b) For the purposes of paragraph (a) of this section, the profit rate to be used for setting a liquidation rate at contract inception will be (1) the initial negotiated profit rate for firm fixed price contracts and contracts subject to price redetermination, and (2) the initial negotiated target profit rate for contracts subject to incentive price revision. For the setting of liquidation rates lower than progress payment rates on contracts subject to incentive price revision, the contract price is the target price, not the ceiling price, and estimated costs are the target costs. See § 163.81-3(c).

(c) Consistent with paragraph (a) of this section, contracts may be amended to increase or decrease progress payment liquidation rates. For consideration for decrease, see § 163.97. If profit rates on contracts subject to price redetermination or to incentive price revision are changed by contract modification (§§ 7.108-2 and 7.109-2) appropriate harmonizing changes to conform to paragraph (a) of this section will be made at the time of such modification in the stated percentage for future progress payment liquidation. Liquidation percentage rates less than those described by § 163.81-1 will not be established initially or by amendment except on the basis of satisfactory cost data and estimates furnished by the contractor. Except as done incident to modification of a profit rate on contracts subject to price redetermination or to incentive price revision, above, contracts may be amended to reduce the progress payment liquidation rate not more frequently than once in each period of 12 months. When a progress payment liquidation rate is changed by contract amendment, appropriate conforming changes will be made in (a) (3) (i) and (a) (4) of the progress payment clause of the contract, so that the new percentage specified in paragraph (b) of the progress payment clause will also be specified in paragraphs (a) (3) (i) and (a) (4) of that clause.

(d) To support amendments reducing liquidation rates, there must be submission of satisfactory information by the contractor showing separately (1) the cost of any items that have been delivered, accepted, and invoiced, (2) the cost of work not delivered, accepted, and invoiced, (3) the estimated costs of completion, and (4) for items that have not been delivered, accepted, and invoiced, an applicable profit that is higher than the amount of profit permitted to be released by application of the progress payment liquidation percentage then specified in the contract. These amendments reducing liquidation rates will be for application only to billings for items thereafter to be delivered, and will not adjust for past delivery billings and associated progress payment liquidations.

§ 163.81-3 Liquidation percentages.

(a) For the purposes of § 163.81-2, the minimum liquidation rate has to be enough to recover the full amount of progress payments by way of deductions from delivery billings. The amount of expected progress payments is the product of multiplication of the total estimated contract costs by the progress payment percentage of those costs. This amount of expected progress payments, divided by the contract price, gives the minimum liquidation percentage. For contracts subject to incentive price revision, see § 163.81-2(b).

For example, if price is \$110 and costs are \$100, the minimum liquidation percentage would be:

(1) If progress payments are at 70 percent of costs—

$$\frac{100 \times 0.70}{110} = 63.64\%$$

(2) If progress payments are at 75 percent of costs—

$$\frac{100 \times 0.75}{110} = 68.18\%$$

(3) If progress payments are at 80 percent of costs—

$$\frac{100 \times 0.80}{110} = 72.72\%$$

(4) If progress payments are at 85 percent of costs—

$$\frac{100 \times 0.85}{110} = 77.27\%$$

(5) If progress payments are at 90 percent of costs (§ 163.74)—

$$\frac{100 \times 0.90}{110} = 81.81\%$$

(b) For the computation of minimum rates of liquidation, fractions of a percent point will be expressed in tenths. Fractions between tenths will be rounded upward to the next higher tenth of a point. On the examples noted in paragraph (a) of this section:

(1) 63.64 percent would be expressed as 63.7 percent in the contract.

(2) 68.18 percent would be expressed as 68.2 percent in the contract.

(3) 72.72 percent would be expressed as 72.8 percent in the contract.

(4) 77.27 percent would be expressed as 77.3 percent in the contract.

(5) 81.81 percent would be expressed as 81.9 percent in the contract.

(c) Further illustrative examples of minimum liquidation rates are set out below. For the purposes of § 163.81-2 the profit rate is deemed to be the amount by which the fixed or target contract price exceeds estimated total costs within the fixed or target price, divided by those estimated total cost,

e.g.,

$$\frac{\text{Price}-\text{Costs}}{\text{Costs}} = \text{Profit Rate.}$$

If the estimated profit rate falls between tenths of a percent point, the fraction of a tenth will be dropped off for computation of a minimum liquidation rate. For example, a profit rate of 8.21 percent or 8.29 percent would be used as 8.2 percent for this computation of a minimum liquidation rate.

ILLUSTRATIVE MINIMUM PROGRESS PAYMENT LIQUIDATION RATES

Profit rate percent	Minimum liquidation rate, with progress payment rate			
	70%	75%	80%	85%
2	68.7	73.6	78.5	83.4
3	68	72.9	77.7	82.6
4	67.4	72.2	77	81.8
4.1	67.3	72.1	76.9	81.7
5	66.7	71.5	76.2	81
6	66.1	70.8	75.5	80.2
7	65.5	70.1	74.8	79.5
7.1	65.4	70.1	74.7	79.4
7.2	65.3	70	74.7	79.3
7.3	65.3	69.9	74.6	79.3
7.4	65.2	69.9	74.5	79.2
7.5	65.2	69.8	74.5	79.1
7.6	65.1	69.8	74.4	79
7.7	65	69.7	74.3	79
7.8	65	69.6	74.3	78.9
7.9	65	69.6	74.2	78.8
8	64.9	69.5	74.1	78.8
8.1	64.8	69.4	74.1	78.7
8.2	64.7	69.4	74	78.6
8.3	64.7	69.3	73.9	78.5
8.4	64.6	69.2	73.9	78.5
8.5	64.6	69.2	73.8	78.4
8.6	64.5	69.1	73.7	78.3
8.7	64.4	69	73.6	78.2
8.8	64.4	69	73.6	78.2
8.9	64.3	69	73.5	78.1
9	64.3	68.9	73.4	78
9.1	64.2	68.8	73.4	78
9.2	64.2	68.7	73.3	77.9
9.3	64.1	68.7	73.2	77.8
9.4	64	68.6	73.2	77.7
9.5	64	68.5	73.1	77.7
9.6	63.9	68.5	73	77.6
9.7	63.9	68.4	73	77.5
9.8	63.8	68.4	72.9	77.5
9.9	63.7	68.3	72.8	77.4
10	63.7	68.2	72.8	77.3
10.1	63.6	68.2	72.7	77.3
10.2	63.6	68.1	72.6	77.2
10.3	63.5	68	72.6	77.1
10.4	63.5	68	72.5	77
10.5	63.4	67.9	72.4	77
10.6	63.3	67.9	72.4	76.9
10.7	63.3	67.8	72.3	76.8
10.8	63.2	67.7	72.3	76.8
10.9	63.2	67.7	72.2	76.7
11	63.1	67.6	72.1	76.6
11.1	63.1	67.6	72.1	76.6
11.2	63	67.5	72	76.5
11.3	62.9	67.4	71.9	76.4
11.4	62.9	67.4	71.9	76.4
11.5	62.8	67.3	71.8	76.3
11.6	62.8	67.3	71.7	76.2
11.7	62.7	67.2	71.7	76.1
11.8	62.7	67.1	71.6	76.1
11.9	62.6	67.1	71.5	76
12	62.5	67	71.5	75.9
12.1	62.5	67	71.4	75.9
12.2	62.4	66.9	71.4	75.8
12.3	62.4	66.8	71.3	75.7
12.4	62.3	66.8	71.2	75.7
12.5	62.3	66.7	71.2	75.6
12.6	62.2	66.7	71.1	75.5
12.7	62.2	66.6	71	75.4
12.8	62.1	66.5	71	75.4
12.9	62.1	66.5	70.9	75.3
13	62	66.4	70.8	75.3
13.1	61.9	66.4	70.8	75.2
13.2	61.9	66.3	70.7	75.1
13.3	61.8	66.2	70.7	75.1
13.4	61.8	66.2	70.6	75
13.5	61.7	66.1	70.5	74.9
13.6	61.7	66.1	70.5	74.9
13.7	61.6	66	70.4	74.8
13.8	61.6	66	70.3	74.7
13.9	61.5	65.9	70.3	74.7
14	61.5	65.8	70.2	74.6
14.1	61.4	65.4	69.8	74.2
15	60.9	65.3	69.6	74
16	60.4	64.7	69	73.3
16.8	60	64.3	68.5	72.8
17	59.9	64.2	68.4	72.7
18	59.4	63.6	67.8	72.1
18.9	58.9	63.1	67.3	71.5
19	58.9	63.1	67.3	71.5
20	58.4	62.5	66.7	70.9

Minimum liquidation rates will of course have to vary up or down from those shown in the above illustrative tables, for differing rates of projected profit and for the different percentages for progress payments.

Higher minimum liquidation rates would necessarily apply to contracts with unusual (§ 163.74) progress payment rates above uniform standard rates. For example, a contract with unusual progress payment rate of 90 percent, costs of 100, and price 109 (profit

rate 9 percent) would have a minimum liquidation rate of 82.6 percent:

$$\frac{100 \times 0.90}{109} = 82.6\%$$

§ 163.82 Subcontracts.

(a) Subcontractors ought to be able to get progress payments from their customers on standards which are the same as those applicable to prime contracts. Contractors should be encouraged to extend progress payments to subcontractors on subcontracts which meet the standards for customary progress payments outlined in § 163.72.

(b) The policies and standards for "unusual" progress payments set forth in § 163.74 are equally applicable to situations where it is contemplated that contracts will provide for progress payments based on "unusual" progress payments made by a prime contractor to a subcontractor. In such cases, when the inclusion of such unusual progress payments on the subcontracts has been approved in the manner set forth in § 163.74, appropriate revision will be made in paragraph (j) (2) of the Progress Payment clause (§ 163.79-1) so as to permit inclusion of the unusual progress payments on the subcontract as part of the base for progress payments on the prime contract. Such revisions are deemed not to be deviations, and do not require the clearance called for by § 163.86(b). Sections 163.79-1(a) (2) applies only to the "contractor's" costs mentioned in § 163.79-1(a) (1) (i). Section 163.79-1(a) (2) does not apply to the progress payments to subcontractors mentioned in § 163.79-1(a) (1) (ii).

§ 163.82-1 Subcontractor progress payments.

When progress payments have been made by a prime contractor to a subcontractor pursuant to the provisions of the applicable prime contract and subcontract, the progress payment to the prime contractor to reimburse him for such progress payment to the subcontractor shall include the full amount of his progress payment made to the subcontractor.

§ 163.82-2 Adaptation of uniform clause for subcontracts.

(a) Contracting officers are not required to review or approve subcontracts merely because they provide for progress payments. However, they shall check and review subcontracts providing for progress payments to the extent appropriate in the ordinary course of administration of the Progress Payment clause of prime contracts. The duty rests on the prime contractor to see to it that his subcontracts providing the progress payments, to be included in the base for progress payments pursuant to the provisions of § 163.79-1(j) conform to those provisions of the contract. In adapting the clause set forth in § 163.79-1 for use in subcontracts, to conform to § 163.79-1(j) the subcontract Progress Payment clause should have appropriate changes to reflect the position of the prime contractor as purchaser and of the subcontractor as

vendor, and to indicate that the progress payments under the subcontract are being made and administered by the prime contractor. However, the title provision of the Progress Payment clause of the subcontract shall provide for the vesting of title directly in the Government, as set forth in § 163.79-1(d), and the subcontract will not substitute the prime contractor for the Government as the holder of title under that paragraph of the subcontract. In that title paragraph of the subcontract, reference to the prime contractor should, however, be substituted for the word "Government" in the parenthetical expression concerning drawings and technical data, and also in the second sentence of the paragraph. In the subcontract counterpart of § 163.79-1(g) entitled "Reports—Access to Records" the references to "Contracting Officer" and "Government" should not be deleted, but may in each case be expanded so as to refer to the "Contracting Officer or the prime contractor," (§ 163.79-1(g) (i)) and to the "Government or the prime contractor" (§ 163.79-1(g) (ii)).

(b) With regard to the subcontract counterpart of the "Special Provisions Regarding Default" (§ 163.79-1(h)) only the substance of the first 26 words of that paragraph (with reference to the prime contractor substituted for "Government"), is required for conformity to the provisions of § 163.79-1(j) (2).

§ 163.82-3 Substitution of new clause for old clause. [Revoked]

§ 163.83 Progress payments on subcontracts under cost-reimbursement types of prime contracts.

The policies, standards, and procedures of this subpart and its references are applicable to progress payments to subcontractors and suppliers on fixed-price types of subcontracts under cost-reimbursement types of prime contracts. For the prime contractor to be reimbursed for such progress payments, it is required that the subcontracts involving progress payments conform to this part. Specifically, the case must meet the standards for customary progress payments (§ 163.72) and progress payment percentages must not exceed those authorized by § 163.72 (unless unusual progress payments to the subcontractor are approved by the procedure described in § 163.74), liquidation must conform to § 163.81, and the uniform clause in § 163.79-1 adapted for subcontract use (§ 163.82-2) must be utilized.

§ 163.84 Letter contracts.

When progress payments are to be made under letter contracts or similar contractual instruments (§§ 163.72 and 163.72-2), incorporation of the clause set forth in § 163.79-1 is required. See §§ 163.78-7, 163.80-2 and 163.80-3. Procedures for later events are outlined below.

(a) When the superseding definitive contract provides for progress payments (§§ 163.72 and 163.72-2) the letter contract costs, progress payments and unliquidated progress payments will be

carried over to the definitive contract the same as if initially covered by the definitive contract instead of the letter contract. For the various percentages, see §§ 163.72-2, 163.80-2, 163.80-3, 163.80-4, and 163.81.

(b) If the letter contract is not superseded by a definitive contract providing for progress payments, for whatever reason, the unliquidated progress payments on the letter contract will be deducted from amounts otherwise payable to the contractor. If not so fully liquidated, the amount of unliquidated progress payments will be payable to the Government upon demand. See Subpart F of this part.

5. Paragraph (a) of § 163.86 is revised; §§ 163.89, 163.91, 163.92, 163.92-1, 163.93, 163.93-1, 163.93-2, 163.93-3, 163.93-4, and 163.93-5 are revised; and § 163.93-6 is revoked, as follows:

§ 163.86 Contract Financing Office clearance.

(a) Those involving progress payments at rates exceeding the uniform standard rates authorized by §§ 163.72 and 163.73.

§ 163.89 Audit.

For the making of progress payments, principal reliance will be placed on the adequacy of the contractor's accounting system and controls (§ 163.75) and on the reliability of the contractor's certificates. To conserve administrative effort, hold down expense, and promote prompt payment of proper progress billings, audit before the making of progress payments will be kept to the minimum necessary for the protection of the interest of the Government. Preaudit, that is, audit before the making of a progress payment, will be limited to those situations in which there is reason to question the reliability or accuracy of the contractor's certificate, or reason to believe that the contract will involve a loss. Where the adequacy and reliability of the contractor's accounting system and controls have been established in accordance with § 163.75, there shall be no requirement for preaudit of the first progress billing under new contracts. Postreview or postaudit will be made when considered desirable by the contracting officer to determine the validity of any progress payment made on the contractor's certifications.

§ 163.91 Adjustments; retroactive price reduction; refunds.

When a retroactive price reduction has been made effective, i.e., by supplemental agreement or by unilateral determination pursuant to the price redetermination provision of the contract, the last sentence of § 163.79-1(b) requires adjustments so that the amount of unliquidated progress payments and the amounts paid or payable for supplies or services accepted will give effect to the price reduction. In this situation, the retroactive price reduction means that too much has been paid or billed for deliveries, and that from those delivery billings too much has

been applied as a reduction of the unliquidated progress payment balance. The necessary adjustments would be (a) recomputation of total cash delivery payments on the basis of the reduced billing price resulting from the retroactive price reduction, and repayment by the contractor of the difference between the total recomputed payments and the total cash delivery payments that had been made, and (b) increase of the unliquidated progress payment balance by the excess of the total amounts previously applied to reduce the unliquidated progress payment balance over the amounts that would have been applied to reduce the unliquidated progress payment balance if the reduced delivery prices had been in effect from the date from which the redetermination is applicable. This same principle of upward adjustment of the unliquidated progress payment balance is also applicable in connection with interim refunds made by contractors pursuant to the provisions of incentive and price redetermination contracts, and in connection with voluntary refunds on such contracts.

§ 163.92 Maximum unliquidated amount.

When the contract price is sufficient to cover all costs of complete performance, and liquidation of progress payments is effected by the ordinary method (§ 163.81-1), the amount of unliquidated progress payments should automatically stay within the maximum limits stated in § 163.79-1(a)(3). For either method of liquidation (§§ 163.81-1, 163.81-2, and 163.81-3) whenever the rate or quality of performance is unsatisfactory, or the rate of rejections is unduly high, or there is excessive wastage or spoilage, or a loss to the contractor is indicated, careful examination should be made to determine whether or not the unliquidated progress payments exceed the maximum amounts permitted by § 163.79-1(a)(3). Also, when the alternate method of liquidation is used (§§ 163.81-2 and 163.81-3), it may occur that actual costs and future costs of performance are higher than the estimated costs used to establish a liquidation rate. In such cases (§ 163.79-1(c)(iv)), appropriate increase of the liquidation percentage, with or without reduction of the rate of progress payments or suspension of progress payments (§ 163.93) will be necessary to adjust for any under liquidation that may have occurred, to bring the amount of unliquidated progress payments within the limits of § 163.79-1(a)(3), and to assure the adequacy of future liquidations. As required, the services of Defense Contract Audit Agency should be utilized to the fullest extent available, together with the services of qualified cost analysis and engineering personnel. See § 163.88 and section III, General Instructions, DD Form 1195 set forth in F200.1195.

§ 163.92-1 Quarterly statements on price revision contracts.

Quarterly statements submitted by contractors pursuant to the Limitation

on Payments provisions of price revision contracts (§§ 7.108 and 7.109 of this chapter) should be compared from time to time with the Contractor's Request for Progress Payments in order to assure so far as reasonably possible that costs attributed to delivered items on the quarterly statements are excluded from the costs set forth as the basis for unliquidated progress payments on the DD Form 1195. If there is apparent disparity, request for completion of section III of the DD Form 1195 (§ 163.88) would be appropriate.

§ 163.93 Suspension or reduction of payments; general.

In the process of reviewing individual progress payments already existing or hereafter established, action to reduce or slow down progress payments or to increase liquidation rates (unless justified on other grounds, such as overpayments or unsatisfactory performance) should be consistent with contract provisions, and never taken precipitately or arbitrarily. Any such reduction of progress payments on active contracts (other than liquidation pursuant to the contract) should be effected only after notice to and discussion with the contractor, and after full exploration of the contractor's financial condition, existing or available credit arrangements, projected cash requirements, effect of progress payment reduction on the contractor's operations, and generally on the equities of the particular situation. Where contract performance is satisfactory, and there is neither overpayment nor anticipated loss, proper progress payments, adequately verified, will be paid promptly when earned and billed in accordance with contract provisions. § 163.79-1(c) provides that progress payments may be suspended or their rate of liquidation may be increased, whenever any of the circumstances there described are found to exist. The rights reserved to the Government by that paragraph are for the purpose of protecting the interests of the Government, fostering satisfactory contract performance, and guarding against overpayments and losses. That paragraph will be administered with these purposes in mind. Action taken pursuant to that paragraph will be fair and reasonable under the circumstances of particular cases, and supported by substantial evidence. Findings made under that paragraph will be in writing.

§ 163.93-1 Failure to comply with contract.

Except for the purpose of correcting overpayments or obtaining amounts due from the contractor, action will not be taken pursuant to § 163.79-1(c)(1) for failure to comply with a requirement of the contract, if such failure has resulted solely from causes beyond the control and without the fault or negligence of the contractor. For examples of such causes, see paragraph (c) of the Default clause in § 8.707 of this chapter. Compliance with the material requirements of the contract, within the meaning of § 163.79-1(c)(i) includes compliance

with all provisions of the Progress Payment clause.

§ 163.93-2 Unsatisfactory financial condition.

If unsatisfactory financial condition, or failure to make progress, endangering contract performance, as described in § 163.79-1(c)(ii) is found to exist, arrangements reasonably assuring contract completion without loss to the Government will be required in connection with the making of further progress payments and the making of other payments so long as progress payments are unliquidated. Within the meaning of § 163.79-1(c)(ii), performance of the contract includes full liquidation of progress payments. Further payments will be withheld so long as any progress payments remain unliquidated, only upon full consideration of all pertinent facts, and upon concluding that further payments will serve to increase the probable loss to the Government.

§ 163.93-3 Excessive inventory.

When inventory allocated to the contract is found substantially to exceed reasonable requirements (§ 163.79-1(c)(iii)), the simplest form of adjustment to correct or avoid overpayment will be to eliminate the costs of such excess inventory from the costs shown in item 7 of the contractor's request set out in DD Form 1195. If that is not regarded as sufficient in a particular case, or if the adjustment in item 7 of the request will not accomplish full correction, additional deductions, to the extent necessary for the correction, should be made, to liquidate progress payments, incident to billings for payments other than progress payments. Transfer of such excess inventory from the contract should also be required. The expression "reasonable requirements" includes a reasonable accumulation of inventory for future use to assure continuity of operations.

§ 163.93-4 Delinquency in payment of costs of performance.

The contractor's delinquency in payment of costs of contract performance in the ordinary course of business (§ 163.79-1(c)(iv)) may be an indication of unsatisfactory financial condition or other circumstances endangering contract performance and involving probability of loss to the Government. If such delinquency is not connected with poor financial condition that is so unsatisfactory as to endanger contract performance or to involve reasonably foreseeable loss to the Government, further progress payments and other payments will not necessarily be denied to protect the unliquidated progress payments and minimize risks of additional losses, and payments may be continued at the contract rate, or in reduced amounts, in connection with appropriate arrangements to (a) cure the contractor's delinquencies in payment of his costs of contract performance, (b) avoid further delinquencies, and (c) reasonably assure completion of the contract without loss to the Government. (See also § 163.93-3.) Amounts claimed by subcontractors,

suppliers and others, but disputed in good faith by the contractor, should not be considered delinquent until determined by a court (or by arbitration if applicable). However, any such disputed amounts shall be excluded from costs of performance so long as they are disputed.

§ 163.93-5 Fair value of undelivered work.

In connection with determining the relation of the amount of unliquidated progress payments to the fair value of the work accomplished on the undelivered portion of the contract (§ 163.79-1(c)(v)), the principles stated in § 163.92 are applicable. In determining action, if any, to be taken, the contracting officer (utilizing available audit, engineering, inspection, and cost analyst services) will give full consideration to the degree of completion of contract performance, the quality and amount of work performed on the undelivered portion of the contract, the amount of work remaining to be done and the estimated costs of completion of performance, and the amount remaining unpaid under the contract. If the contracting officer finds that the fair value of the work done under the undelivered portion of the contract, in relation to the contract price, is less than the unliquidated progress payments, his actions will be governed by the principles stated in §§ 163.93-2 and 163.93-4. This fair value could not exceed the contract price of undelivered work under the contract, less the estimated total future costs of completion of the contract. When this fair value is found to be less than the amount of the unliquidated progress payments, all further payments on the contract will be controlled in such a manner as to hold the unliquidated progress payments within the fair value of the work done on the undelivered portion of the contract. See also § 163.94-1.

§ 163.93-6 Erroneous cost estimates. [Revoked]

6. Sections 163.94, 163.94-1, 163.94-2, 163.95, 163.96, 163.97, 163.106-3, 163.118, and 163.124 are revised, as follows:

§ 163.94 Government title.

Since the clause in § 163.79 gives the Government title to all of the materials, work in process, and finished goods under contracts, care should be taken to assure, to the extent reasonably necessary, that the title to the Government will be free of all encumbrances. The procedure in this respect will necessarily vary with the particular circumstances of individual cases. Ordinarily, in the absence of reason to believe that the Government title may be subject to encumbrance, the contractor's certificate will be relied on. If any arrangements or conditions are found that would impair the contractor's right of disposition of the property affected by the progress payments, appropriate arrangements should be made to establish and protect the Government title. The existence of any such encumbrance is a violation of the contractor's obligations under the contract.

§ 163.94-1 Loss, theft, destruction, or damage.

Section 163.79-1(e) is not intended to apply to normal spoilage. The risk of loss as to property affected by the Progress Payment clause is on the contractor, except to the extent that by some special provision of the contract (such as that relating to aircraft in the open) the Government shall have expressly assumed the risk of loss. Such express assumption of risk by the Government is not made in the Progress Payment clause, the Default clause, or the Termination clause. Because of problems of administering the contract, especially those connected with property responsibility and inventory control, the risk of loss on property to which the Government holds title because of progress payments must be on the contractor to the same extent that it would be if the contractor held title to the property. This risk of loss carries with it the accompanying duty to repay to the Government the amount of unliquidated progress payments based on cost allocable to lost, stolen, or destroyed property or to the damaged portion of the property. If the Government has expressly assumed particular risks of loss, then, to the extent of such express assumption of risk by the Government, the contractor would not be obligated to repay to the Government the amount of unliquidated progress payments based on costs allocable to such lost, stolen, destroyed, or damaged property. See, however, § 163.78-1(c)(v), as to future payments on the contract after such loss, damage, theft, or destruction.

§ 163.94-2 Government property.

Contract provisions referring to or defining liability for Government property do not apply to property to which the Government has title solely pursuant to the provisions of the Progress Payment clause (§ 163.79-1(d)). Property to which the Government has title solely pursuant to the Progress Payment clause is not subject to §§ 30.2 and 30.3 of this chapter.

§ 163.95 Consideration for progress payments; awards.

When a Progress Payment clause is included at the inception of a contract, there shall be no separate consideration for the Progress Payment clause. The worth of the Progress Payment clause to the contractor is expected to be reflected in one or both of (a) a bid or negotiated price that will be lower than such price would have been if provision had not been made for progress payments, or (b) contract terms and conditions, other than price, that are more beneficial to the Government than they would have been if provision had not been made for progress payments.

§ 163.96 Amendments to provide progress payments.

There should be ordinarily no occasion to amend contracts to provide for progress payments unless there has been material change from the circumstances contemplated by the parties when in-

tations for bids were issued or the contract was entered into without progress payment provisions. However, cases do occur in which the actual lead time or preparatory period between the beginning of work and the first delivery substantially exceeds the estimated lead time and in fact runs or will run over 6 months (§ 163.72) or in which unusual circumstances bring about unexpected substantial accumulation of predelivery costs having material impact on the contractor's working funds (§ 163.74). These cases may arise from occurrences such as (a) uncertainties or errors in specifications, (b) contract change notices, (c) Government delays in testing, inspection, furnishing of material or equipment, furnishing of stock numbers, packaging or shipping instructions or shipping documents, or completion of contract supplements, (d) stretch-outs or stop-work orders, (e) performance difficulties of subcontractors or suppliers, and (f) causes beyond the control and without the fault or negligence of the contractor, of the kinds mentioned in paragraph (c) in § 8.707 of this chapter. In these kinds of cases, requests of contractors for amendments to provide progress payments should be considered promptly, in the light of the circumstances then existing. If the circumstances then existing approximate conditions under which progress payments would have been properly provided in conformity with this part at contract inception, if the new circumstances had been foreseen, progress payments should be provided by amendment. In this connection, see particularly §§ 163.15, 163.17, 163.18, 163.19, 163.20, 163.23, 163.23-1, 163.74, and 163.97. In conformity with the standards and procedures of § 163.74, unusual progress payments may be provided by amendment.

§ 163.97 Consideration for amendments concerning progress payments.

Contracts may not be modified except in the interest of the Government. Contracts may be amended to provide for progress payments or larger progress payments or reduced liquidation rates only when the amendment provides new and valuable consideration moving to the Government. Appropriate price reduction may provide this consideration. In the varying circumstances of individual cases, the consideration for progress payments need not necessarily be monetary. Agreements by the contractor, incorporated in such an amendment, for the benefit of and substantially advantageous to the Government, may constitute sufficient consideration for an amendment providing for progress payments. When estimated financing costs have been included as an element (whether or not identified) in the contract price, it is fair to expect elimination of the applicable portion of that element of the price when progress payments or larger progress payments or reduced liquidation rates are provided by amendment. The fair and reasonable consideration for the progress payment amendment should approximate in a

value as nearly as practically ascertainable the amount by which the contract price would have been smaller if the progress payment amendment had been contained in the contract in the first instance. In the absence of definite information on this point, pertinent factors for estimating the fair and reasonable amount of consideration would include (a) the amounts of progress payments expected to be outstanding for estimated periods of time, (b) the cost of equivalent working funds to the contractor, and (c) the estimated profit rate expected to be earned by contract performance. If not accomplished by a contract price reduction, other concessions or agreement by the contractor, advantageous to the Government and incorporated in the amendment, may be fairly evaluated and accepted as being of value reasonably equivalent to a price reduction. This consideration should be such as is fair, equitable and reasonable in the light of the circumstances of each case. See § 163.96. This consideration should be for the progress payment amendment, and there shall be no provision for interest or other specific charge for progress payments.

§ 163.106-3 Excess costs for default.

For procedures in connection with default, see Subpart F, Part 8 of this chapter. As indicated by § 8.602-6(c) of this chapter, indebtedness for excess costs occurs when repurchase is effected at a price in excess of the price of the supplies terminated. This is reemphasized by the clause in § 163.118. The demand for payment (§ 163.106) shall be made as soon as the repurchase contract has been entered into. The possible necessity for furnishing payment data under the replacement contract, in the event that the excess cost debt is later referred to the General Accounting Office as administratively uncollectible, must not be permitted to delay actions pursuant to this subpart.

§ 163.118 Contract clause; interest.

Except as provided in § 163.119, all contracts for procurement, or for sale or use of Government property or services, shall include the following clause:

INTEREST (MAY 1968)

Notwithstanding any other provision of this contract, unless paid within 30 days all amounts that become payable by the Contractor to the Government under this contract (net of any applicable tax credit under the Internal Revenue Code) shall bear interest at the rate of 6 percent per annum from the date due until paid and shall be subject to adjustments as provided by Part 6 of Appendix E of the Armed Services Procurement Regulation, as in effect on the date of this contract. Amounts shall be due upon the earliest one of (i) the date fixed pursuant to this contract; (ii) the date of the first written demand for payment, consistent with this contract, including demand consequent upon default termination; (iii) the date of transmittal by the Government to the Contractor of a proposed supplemental agreement to confirm completed negotiations fixing the amount; or (iv) if this contract provides for revision of prices, the date of written notice to the

Contractor stating the amount of refund payable in connection with a pricing proposal or in connection with a negotiated pricing agreement not confirmed by contract supplement.

§ 163.124 Bankruptcy reporting.

For those debts covered by this subpart (§ 163.98), claims in bankruptcy or insolvency, or in proceedings for reorganization or rearrangement will be furnished to the Department of Justice. These claims are (a) those which have been transferred to a contract financing office (§ 163.109), (b) those on their way to a contract financing office at inception of bankruptcy or insolvency proceedings, (c) those pending and not forwarded to a contract financing office at inception of bankruptcy or insolvency proceedings, and (d) those which are the consequence of bankruptcy or insolvency proceedings. Proof of claim, with pertinent supporting data and documentation shall be furnished to the Department of Justice by the contract financing office (§ 163.26) or by such other office or offices as may be designated within a Department. Information will be supplied to the contract financing office by the office of origin of a debt as soon as possible after the beginning of proceedings for bankruptcy, insolvency, reorganization or rearrangement. Information, reports, and proof of claim under this section are not expected on debts of less than \$250.

[Rev. 28, Appendix E, ASPR, May 15, 1968] (Sec. 2202, 70A Stat. 120; 10 U.S.C. 2202. Interpret or apply secs. 301, 702(d), 64 Stat. 809, 816, as amended, secs. 2307, 7364, 70A Stat. 131, 455, as amended, sec. 1, 72 Stat. 972; 50 U.S.C. App. 2091 2152(d), 10 U.S.C. 2307, 7364, 50 U.S.C. 1431, E.O. 10480, 18 F.R. 4939, 3 CFR, 1953 Supp., E.O. 10789, 23 F.R. 8897, unless otherwise noted.)

For the Adjutant General.

J. W. HURD,
Colonel, AGC, Comptroller, TAGO.

[F.R. Doc. 68-8719; Filed, July 22, 1968; 8:46 a.m.]

Chapter V—Department of the Army

SUBCHAPTER F—PERSONNEL

PART 579—STANDARDS OF CONDUCT FOR DEPARTMENT OF THE ARMY PERSONNEL

Miscellaneous Amendments

In § 579.8(b), subparagraph (14) is revised; § 579.9 is revised; new § 579.18a is added; §§ 579.21, 579.22(a), 579.23, 579.27, and 579.31 are revised; and a new paragraph (d) is added to § 579.38, as follows:

§ 579.8 Gratuities.

(b) * * *

(14) Receipt of bona fide reimbursement, not prohibited by law, from other than defense contractors, for actual expenses of travel and other necessary subsistence for which no Government payment or reimbursement is made. However, an employee may not be reimbursed, nor may payment be made on his behalf,

for excessive personal living expenses, gifts, entertainment, or other personal benefits, nor may an employee be reimbursed from a private source for travel on official business under agency orders except pursuant to 5 U.S.C. 4111 or other applicable statutory authority.

§ 579.9 Prohibitions of contributions or presents to superiors.

DA personnel shall not solicit a contribution from other officers or employees for a gift to an official superior, make a donation as a gift to an official superior, or accept a gift from an officer or employee receiving less pay than themselves (5 U.S.C. 7351). However, this part does not prohibit a voluntary gift of nominal value or donation in nominal amount made on a special occasion such as marriage, illness, or retirement.

§ 579.18a Depressant, stimulant, and hallucinogenic drugs.

(a) Except for official governmental or authorized medical purposes, military personnel shall not possess, use, sell or transfer depressant, stimulant, or hallucinogenic drugs nor shall they introduce such drugs onto any Army installation or other Government property under Army jurisdiction. The term "depressant, stimulant, or hallucinogenic drug" means any drug which contains—

(1) Any quantity of barbituric acid or any of the salts of barbituric acid; or any derivative of barbituric acid which has been designated under section 502(d) of the Federal Food, Drug, and Cosmetic Act, as amended (21 U.S.C. 352(d)), as habit-forming.

(2) Any quantity of amphetamine or any of its optical isomers; any salt of amphetamine or any salt of an optical isomer of amphetamine; or any substance which the Secretary of Health, Education, and Welfare, after investigation, has found to be, and by regulation designated as, habit-forming because of its stimulant effect on the central nervous system.

(3) Any quantity of a substance which the Secretary of Health, Education, and Welfare, after investigation, has found to have, and by regulation designates as having, a potential for abuse because of its depressant or stimulant effect on the central nervous system or its hallucinogenic effect.

(b) In any instance in which a service member obtains a drug defined in paragraph (a) of this section for medical purposes from a physician in the course of his professional practice, or on a valid prescription, the service member must keep the drug in the original container in which such drug was delivered to him.

§ 579.21 Statements of employment and financial interests.

(a) The following DA personnel are required to submit statements of employment and financial interests:

(1) DA personnel paid at a level of the Executive Schedule in subchapter II of chapter 53 of title 5, United States

Code (Secretary of the Army, Under Secretary of the Army, Assistant Secretaries of the Army, Director of Civil Defense, and General Counsel).

(2) DA personnel classified at GS-13 or above under section 5332 of title 5, United States Code, or at a comparable pay level under another authority including Public Law 80-313, or commissioned officers in the rank of lieutenant colonel or above, whose basic duties and responsibilities require the incumbent to exercise judgment in making a Government decision or in taking Government action in regard to administering or monitoring grants or subsidies.

(3) DA personnel classified at GS-13 or above under section 5332 of title 5, United States Code, or at a comparable pay level under another authority including Public Law 80-313, or commissioned officers in the rank of lieutenant colonel or above, whose basic duties and responsibilities require the incumbent to exercise judgment in making a Government decision or in taking Government action in regard to—

(i) *Contracting or procurement.* For the purpose of this part "contracting or procurement" is defined as executing or approving the award of contracts.

(ii) *Auditing.* Auditing private or other non-Federal enterprise including the supervision of auditors engaged in audit activities or participating in the development of policies and procedures for performing such audits, including the authorization and monitoring of grants to institutions or other non-Federal enterprise.

(iii) *Other.* Activities in which the final decision or action has a significant economic impact on the interests of any non-Federal enterprise.

(4) Major commanders and heads of DA staff agencies.

(b) The following DA personnel will not be required to submit statements of employment and financial interests pursuant to this section:

(1) Individuals below the rank of lieutenant colonel, or below the grade GS-13 or comparable pay level.

(2) Except as provided in paragraph (a) (1) and (4) of this section, individuals whose positions do not include any of the basic duties and responsibilities described in paragraph (a) (2) or (3) of this section.

§ 579.22 Review of positions.

(a) All positions in the categories indicated in § 579.21(a) (2) and (3), both military and civilian, will be reviewed and a statement as to whether the incumbent of the position must file a statement of employment and financial interests as required by this part will be included in each military and civilian position description or similar document describing the duties and responsibilities of the position. This determination will be reviewed at least annually. Such review will be performed by major commanders and heads of DA staff agencies for the general officers and civilian personnel in grades GS-16, 17, and 18 or comparable pay levels within their com-

mand or office. The review may be accomplished at the time performance, efficiency, or effectiveness ratings are given, or incident to other currently prescribed annual reviews. Incumbents of positions identified as involving any of the functions described in § 579.21(a) (2) and (3) will be required to comply with the filing requirements of this part. Any individual who believes that his position has been improperly included in the functions described in § 579.21(a) (2) or (3) may request a review of the decision requiring him to file a statement through established grievance procedures. Grievances initiated by civilian employees are properly considered as Type I grievances and will be processed under the procedures prescribed by section 2, CPR E2.

§ 579.23 Manner of submission—statements of employment.

(a) The Secretary of the Army, the Under Secretary of the Army, the Assistant Secretaries of the Army, the Director of Civil Defense, and the General Counsel, OSA, will submit statements of employment and financial interests to the General Counsel of the Department of Defense.

(b) The Chief of Staff, Vice Chief of Staff, and Assistant Vice Chief of Staff will submit statements to the Secretary of the Army.

(c) Statements required pursuant to review by major commanders or heads of DA staff agencies under § 579.22(a) will be filed with the reviewing official.

(d) Major commanders and heads of DA staff agencies will submit their statements to the Deputy Chief of Staff for Personnel, Attention: General Officer Branch, Department of the Army, Washington, D.C. 20310.

(e) Army general officers assigned to the Office of the Secretary of Defense, Office of the Joint Chiefs of Staff, or U.S. Army Elements (excluding Army components listed in section III, AR 10-5) of joint or unified commands will submit statements in accordance with instructions issued by the agency or command to which assigned.

(f) DA personnel not included in paragraphs (a) through (e) of this section will submit statements of employment and financial interests to the officer designated under § 579.19(b), except that personnel of the Office of the Secretary of the Army will submit such statements to the General Counsel, OSA.

(g) Statements of employment and financial interests shall be submitted by each officer or employee required by this part to file a statement, not later than August 15, 1966 (as of a date no earlier than June 30, 1966), and periodically thereafter as prescribed in § 579.27. Employees who enter Government service after June 30, 1966, who are required to file a statement of employment and financial interests, shall file such statements within 30 days from the date of commencement of such service.

§ 579.27 Supplementary statements.

Changes in or additions to the information contained in an employee's state-

ment of employment and financial interests shall be reported in a supplementary statement as of June 30 of each year. Even though no changes or additions occur a negative report is required. The supplementary statement, negative or otherwise, will be submitted by July 31 of each year. Notwithstanding the filing of the annual report, DA personnel shall at all times avoid acquiring a financial interest that could result, or taking action that would result, in a violation of the conflict-of-interest provisions of 18 U.S.C. 208 or this part.

§ 579.31 Confidentiality of employees' statements.

Each statement of employment and financial interests, and each supplementary statement, will be held in confidence. The Department of the Army may not disclose information from a statement except as the Secretary of the Army or the Civil Service Commission may determine for good cause. Persons designated to review the statements are responsible for maintaining the statements in confidence and shall not allow access to, or allow information to be disclosed from the statement except to carry out the purpose of this part.

§ 579.38 Other related laws applicable to all DoD personnel.

(d) The prohibitions against an employee (including a special Government employee) who is required to register under the Foreign Agents Registration Act of 1938 (18 U.S.C. 219) serving the Government. The criminal penalties of 18 U.S.C. 219 do not apply to a special Government employee in any case in which the department head sends a certificate to the Attorney General that his employment by the U.S. Government is in the national interest. The act does not apply to retired regular officers or to reserves who are not on active duty or who are on active duty for training.

[CZ, AR 600-50, May 15, 1968]

(Sec. 3012, 70A Stat. 157; 10 U.S.C. 3012. Interpret or apply secs. 201-209, 18 U.S.C.; E.O. 11222, May 8, 1965, 30 F.R. 6469, 3 CFR, 1965 Supp.; Part 40, Ch. I, 32 CFR; and 5 CFR 735.104)

For the Adjutant General.

J. W. HURD,

Colonel, AGC, Comptroller, TAGO.

[F.R. Doc. 68-8717; Filed, July 22, 1968; 8:46 a.m.]

Title 33—NAVIGATION AND NAVIGABLE WATERS

Chapter I—Coast Guard, Department of Transportation

[CGFR 68-68]

PART 110—ANCHORAGE REGULATIONS

Subpart B—Anchorage Grounds

PORT OF NEW YORK AND VICINITY

1. The Commander, Third Coast Guard District, New York, N.Y., has requested

that regulations governing mooring in the Port of New York anchorage grounds be published in the FEDERAL REGISTER. Under these regulations a mooring permit, issued by the Captain of the Port of New York, is required to moor in the Port of New York and conditions are established pertaining to the location, dimensions, and maintenance of mooring buoys. The request is granted and 33 CFR 110.150 and 110.155 are amended accordingly, subject to the right to change the requirements and to amend the regulations if and when necessary in the public interest.

2. The purpose of this document is to publish regulations governing mooring in Port of New York anchorage grounds, as described in 33 CFR 110.150(b); 155(k)(4), and 155(l)(7) below, whereby mooring permits issued by the Captain of the Port of New York are required and minimum anchor, chain, and pendant specifications are established.

3. By virtue of the authority vested in me as Commandant, U.S. Coast Guard, by 14 U.S.C. 632 and the delegation in 49 CFR 1.4(a)(3) of the Secretary of Transportation under 49 U.S.C. 1655(g)(1); the text of § 110.150(b) is amended by adding a new § 110.150(b)(6); § 110.155 is amended by adding a new § 110.155(k)(4) and by revising § 110.155(l)(7), each to read as follows and to become effective on and after 30 days after publication of this document in the FEDERAL REGISTER:

§ 110.150 Huntington Harbor, Long Island, N.Y.

(b) The regulations. * * *

(6) The Captain of the Port, New York regulations in § 110.155(l)(7) apply.

§ 110.155 Port of New York.

(k) Sheepshed Bay. * * *

(4) Captain of the Port regulations. In Sheepshed Bay, N.Y., anchorage areas 48A, 48B, and 48C, the Captain of the Port—New York Mooring Regulations in § 110.155(l)(7) apply with the following modifications:

(i) Two anchors shall be used. The anchor minimum weight and minimum chain size shall be as shown in Table 110.155(k)(4) and the anchors shall be placed as shown in Figure 10.155(k)(4).

(ii) A Sheepshed Bay, N.Y., mooring position is designated by the encircled number from the Coast Guard mooring chart, and the distance from the nearest range number, and the distance from the nearest bulkhead line. (Example: circle 2-A in Federal Anchorage number 48A, 50' East of range # 20, 40' South of bulkhead line.)

TABLE 110.155(k)(4)

Vessel length, in feet	Anchor weight, in pounds per anchor	Chain size, in inches
15 or less.....	100.....	5/16.
Greater than 15 but not greater than 21.....	150.....	3/8.
Greater than 21 but not greater than 26.....	200.....	3/4.
Greater than 26.....	10 per foot of vessel length.	1/2 for each anchor whose weight is not greater than 400 #, 3/4 for each anchor whose weight is greater than 400 #.

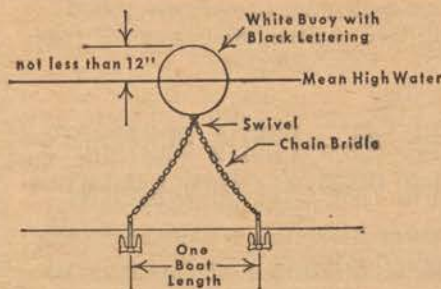


FIGURE 110.155(k)(4)

(1) General regulations. * * *

(7) The Captain of the Port may grant a revocable permit for the habitual maintenance and use of a given mooring space in an anchorage area. Application information for a mooring permit is available from:

Captain of the Port, Mooring Permit Section, Building 109, Governors Island, New York, N.Y. 10004.

(i) A mooring permit is issued to an individual, for his exclusive use, of a specific mooring, of a specific type, at a specific location, for a specific vessel.

(ii) Mooring permits shall expire on April 30 of the year after issuance.

(iii) Mooring permits are not transferable.

(iv) Moorings are shown on the large scale chart which may be seen at the office of the Captain of the Port—New York.

(v) Mooring anchor, chain, and pendant (if applicable) requirements are shown in Table 110.155(l)(7). These requirements may be waived or modified by the Captain of the Port upon written

request from the applicant for such waiver or modification.

(vi) The mooring buoy shall be white in color with the Captain of the Port mooring permit number, in black letters, clearly visible at all times. The buoy is to extend not less than 1 foot above the surface of the water at all times, exclusive of flagstuffs, rings, quick pickup devices, etc.

(vii) All required equipment shall be provided by, installed by, and remain the property of the permit holder.

(viii) Mooring equipment should be raised at least every 2 years, inspected for deterioration and replaced if necessary.

(ix) Each person holding a mooring permit shall make what the Captain of the Port—New York considers reasonable use of the mooring. Nonuse of a mooring up to 30 days during the boating season is deemed reasonable.

(x) Moorings for which permits have expired without renewal or have been revoked by the Captain of the Port—New York shall be removed by the owner within 10 days of such expiration or revocation.

(xi) Granting of a Captain of the Port—New York mooring permit does not give a right of access across private property. Arrangements for access shall be made by the permit holder.

(xii) Each person to whom a Captain of the Port—New York mooring permit is issued agrees to hold harmless the United States, its officers, agents, and employees, for any death, personal injury, or damage which may result from the use of the permit or the rights granted under the permit.

(xiii) No vessel shall continuously occupy a mooring when a vessel in regular traffic requires the berth or when navigation would be menaced or inconvenienced thereby.

(xiv) No vessel shall moor in any anchorage in such a manner as to interfere with the use of a duly authorized mooring buoy. Nor shall any vessel moored to a buoy authorized by a Captain of the Port—New York permit be moored such that any portion of that vessel comes within 50 feet of a marked or dredged channel.

(xv) No vessel shall be navigated within the limits of an anchorage at speed exceeding 6 knots when in the vicinity of a moored vessel.

(xvi) In an emergency the Captain of the Port may shift the position of any unattended vessel moored in or near any anchorage.

TABLE 110.155(l)(7)

Vessel length, in feet	Anchor weight, in pounds	Anchor type	Anchor scope	Chain size in inches	Pendant length in feet	Pendant safe working load minimum
15 or less.....	100.....	Mushroom or navy.	3x MHW	5/16.....	4	4x anchor weight.
Greater than 15 but not greater than 21.....	150.....	Mushroom or navy.	3x MHW	3/8.....	8	Do.
Greater than 21 but not greater than 26.....	200.....	Mushroom or navy.	3x MHW	3/4.....	10	Do.
Greater than 26.....	10 per foot of vessel length.	Mushroom or navy.	3x MHW	1/2 for anchor of 400 # or less, 3/4 if greater than 400 #.	10	Do.

(Sec. 7, 38 Stat. 1053, as amended, sec. 6(g) (1), 80 Stat. 940; 33 U.S.C. 471, 49 U.S.C. 1655 (g) (1); 49 CFR 1.4(a) (3))

Dated: July 16, 1968.

W. J. SMITH,
Admiral, U.S. Coast Guard,
Commandant.

[F.R. Doc. 68-8693; Filed, July 22, 1968; 8:45 a.m.]

**Chapter II—Corps of Engineers,
Department of the Army
PART 207—NAVIGATION
REGULATIONS
Mississippi River**

Pursuant to the provisions of section 7 of the River and Harbor Act of August 8, 1917 (40 Stat. 266; 33 U.S.C. 1), § 207.200 is hereby amended adding paragraph (e) to govern mooring in a certain reach of the Mississippi River, La., effective 30 days after publication in the FEDERAL REGISTER, as follows:

§ 207.200 Mississippi River below mouth of Ohio River, including South and Southwest Passes; use, administration, and navigation.

(e) Mooring on Mississippi River between Miles 314.5 AHP and 340.0 AHP. (1) No vessel or craft shall moor along either bank of the Mississippi River between Miles 314.5 AHP and 340.0 AHP except in case of an emergency, pursuant to an approved navigation permit, or as authorized by the District Engineer. Vessels may be moored any place outside the navigation channel in this reach in case of an emergency and then for only the minimum time required to terminate the emergency. When so moored, all vessels shall be securely tied with bow and stern lines of sufficient strength and fastenings to withstand currents, winds, wave action, suction from passing vessels or any other forces which might cause the vessels to break their moorings. When vessels are so moored, a guard shall be on board at all times to insure that proper signals are displayed and that the vessels are securely and adequately moored.

(2) Vessels may be moored any time at facilities constructed in accordance with an approved navigation permit or as authorized by the District Engineer. When so moored, each vessel shall have sufficient fastenings to prevent the vessels from breaking loose by wind, current, wave action, suction from passing vessels or any other forces which might cause the vessels to break their mooring. Number of vessels in one fleet and the width of the fleet of vessels tied abreast shall not extend into the fairway or be greater than allowed under the permit.

(3) Mariners should report immediately by radio or fastest available means to the lockmaster at Old River Lock or to any Government patrol or survey boat in the vicinity any emergency mooring or vessels drifting uncontrolled within the area described in subparagraph (1) of this paragraph. It is the responsibility and duty of the master of a towing vessel releasing or mooring a vessel in this

reach of the Mississippi River to report such action immediately.

[Regs., July 9, 1968, 1507-32 (Mississippi River, La.)—ENGW—ON]

(Sec. 7, 40 Stat. 266; 33 U.S.C. 1)

For the Adjutant General.

J. W. HURD,
Colonel, AGC, Comptroller, TAGO.
[F.R. Doc. 68-8718; Filed, July 22, 1968;
8:46 a.m.]

**Title 41—PUBLIC CONTRACTS
AND PROPERTY MANAGEMENT**

**Chapter 8—Veterans Administration
MISCELLANEOUS AMENDMENTS TO
CHAPTER**

Chapter 8 is amended as follows:

PART 8-1—GENERAL

1. Sections 8-1.252 and 8-1.253 are added to read as follows:

§ 8-1.252 Commodity standardization.

Commodity standardization is the process of selecting, testing, evaluating and approving items that are to be standardized for use in the Veterans Administration.

§ 8-1.253 Standard item.

A standard item is one that has, through the commodity standardization program, been selected and approved for use within the Veterans Administration by the appropriate Central Office department or staff head and published in VA Catalog No. 3, which is available at any Veterans Administration station.

2. Section 8-1.1602 is added to read as follows:

§ 8-1.1602 Definitions.

In addition to the definition contained in FPR 1-1.1602(b), a "line item" is further defined to provide that where a solicitation requires offerors to show separate prices for individual items or elements but states that the award will be made in the aggregate or on the basis of the total price offered, the total amount of the offer will be considered as the line item susceptible to a separate contract award.

**PART 8-3—PROCUREMENT BY
NEGOTIATION**

3. Section 8-3.650 is added to read as follows:

§ 8-3.650 Oral purchase orders.

Oral purchase orders, when considered advantageous to the Veterans Adminis-

tration, may be used for transactions not in excess of \$2,500. The transaction will be assigned a purchase order number and receipt documentation will be obtained on the copies of the purchase request utilized as a property voucher and receiving report. Documentation as to competition will be in accordance with FPR 1-3.603-2.

**PART 8-10—BONDS AND
INSURANCE**

4. In § 8-10.450, paragraphs (c) and (d) are amended to read as follows:

§ 8-10.450 Service contracts.

(c) Contracting officers may, prior to determining whether or not to include insurance requirements in a solicitation for offers, secure legal, technical, and financial advice and assistance from appropriate Veterans Administration officials. The final determination of whether to include or exclude such requirements will be made by the contracting officer.

(d) Offers received which do not include insurance policies, certificate of insurance endorsement to existing insurance policies or acceptable evidence of insurance in the amount required by the solicitation will be considered. However, evidence of such insurance must be furnished prior to the award of the contract.

**PART 8-52—CONTRACT
ADMINISTRATION**

5. Section 8-52.101 is revised to read as follows:

§ 8-52.101 Scope.

This subpart applies to all contracts, whether advertised or negotiated, except those construction contracts, architect-engineer contracts, utility connection agreements and other site facility agreements entered into by Central Office contracting officers.

6. In § 8-52.105, paragraph (b) is amended, a new paragraph (c) is added and the former paragraph (c) is redesignated (d) so that the added and amended material reads as follows:

§ 8-52.105 Representatives of contracting officers.

(b) To take actions authorized in the contract, such as issue delivery orders, reject unsatisfactory items, order replacement of such items (materials or services) and, when necessary, declare contractor in default on specific delivery orders. Except for blood, this authority will be delegated only to other Government contracting officers under centralized indefinite delivery type contracts and the contract will so state. Centralized contracts for blood will provide that contracting officers at ordering offices are authorized to designate representatives and alternate representatives to place delivery orders subject to the same restrictions stated in paragraph (c) of this section.

(c) To place oral or other informal delivery orders for items such as, but not limited to, bread, milk, and blood against local indefinite delivery type contracts on which blanket purchase arrangements have been established and funds have been obligated. The designation of representatives and alternates will be in writing and will define the scope and limitations of the representative's authority, and will be addressed to the employee(s) with a copy to the contractor. Such designations will be made only by the prime contracting officer and are not redelegable.

(d) In the administration of research and development contracts, any representative appointed pursuant to this section must be acceptable both to the contracting officer and the department or staff head concerned.

7. Section 8-52.108 is revised to read as follows:

§ 8-52.108 Contract provision.

Whenever it is considered necessary to authorize a representative under § 8-52.105(d) (i.e., research and development, in process manufacturing), the clause incorporated in § 8-7.150-10 of this chapter will be observed.

8. In § 8-52.201, paragraph (d) is added to read as follows:

§ 8-52.201 Documents necessary.

(d) Consent of surety or sureties where performance or payment bonds are required.

(Sec. 205(c), 63 Stat. 390, as amended, 40 U.S.C. 486(c), sec. 210(c), 72 Stat. 1114, 38 U.S.C. 210(c))

These regulations are effective immediately.

Approved: July 17, 1968.

By direction of the Administrator.

[SEAL] A. H. MONK,
Associate Deputy Administrator.

[F.R. Doc. 68-8733; Filed, July 22, 1968;
8:47 a.m.]

**Chapter 9—Atomic Energy
Commission**

**PART 9-4—SPECIAL TYPES AND
METHODS OF PROCUREMENT**

**Subpart 9-4.51—Research Agree-
ments and Contracts With Educa-
tional Institutions**

PART 9-16—PROCUREMENT FORMS
Subpart 9-16.50—Contract Outlines

MISCELLANEOUS AMENDMENTS

These revisions are to implement the June 1, 1968, revision to Bureau of the Budget Circular No. A-21, which provides for elimination of the time or effort reporting requirement set forth in that circular for research contracts with educational institutions. In lieu of such time or effort reports, charges to federally sponsored research projects are to

be supported by the institution's normal time and attendance and payroll distribution systems, or by stipulated salary support amounts as specifically stated in the research agreements or contracts.

In addition, the requirement for equipment reports under the special research support agreement (AECPR 9-16.5002-8) has been modified.

1. In paragraph (a) of § 9-4.5105, *Submission of research proposals*, the following subparagraph (6) is added:

§ 9-4.5105 Submission of research proposals.

(a) * * *

(6) Whether the institution wishes to establish stipulated salary support amounts as the bases for charges for personal services of any professorial staff members to be utilized on the project. If the institution wishes to establish such stipulated salary support amounts, the proposal should include the following information for each professorial staff member involved:

- (i) Academic year salary;
- (ii) Other research projects or proposals for which salary is allocated; and
- (iii) Any other duties, such as teaching assignments, administrative assignments, supervision of graduate students, or other institutional activities.

2. The following section is inserted in § 9-4.5106, *Selection, preparation, and award of research contracts*:

§ 9-4.5106-3a Compensation for personal services of professional staff.

(a) In accordance with section B.7 and section J.7 of BoB Circular No. A-21, the proposing institution and the AEC must reach an understanding regarding the basis for charges to the AEC under the contract for personal services of professional staff members. It is AEC policy to use the payroll distribution procedure of section J.7.b as the basis for charges for personal services of all nonprofessorial professional staff, and also for professorial staff in those cases in which it is not feasible to establish a stipulated salary support amount during the proposal and award process because detailed plans or knowledge of specific positions or individuals are not available.

(b) In those cases in which the proposing institution and the AEC agree to use a stipulated salary support amount as the basis for charges for personal services of a specified professorial staff member, the sponsoring AEC Headquarters Division shall either:

(1) Establish an appropriate stipulated salary support amount in accordance with the guidelines of BoB Circular No. A-21 and provide guidance to the Field Office regarding the amount of such individual stipulated salary support, or

(2) Request the Field Office to establish an appropriate stipulated salary support amount in accordance with the guidelines of BoB Circular No. A-21 and within any limitations established by the sponsoring Headquarters Division.

In establishing appropriate stipulated salary support amounts, it will be neces-

sary for the AEC Headquarters Division or Field Office to obtain information on the academic year salary of the faculty members involved; the other research projects or proposals for which salary is allocated; and any other duties they may have, such as teaching assignments, administrative assignments, supervision of graduate students, or other institutional activities.

(c) The established stipulated salary support amount shall be provided for in the contract and shall be the basis for charges for personal services of the specified staff member unless there is a significant change in performance by the staff member (see section J.7.c of BoB Circular No. A-21 for examples of a "significant change"); if a significant change in performance occurs, the institution has the responsibility under BoB Circular No. A-21 to either:

- (1) Reduce the charges to the contract proportionately, or
- (2) Request an appropriate amendment of the contract to reflect the change in performance.

The contract should provide that if the alternative in subparagraph (1) of this paragraph is followed, the contractor shall notify the Commission of such reduction, with an explanation of the basis of such reduction. In accordance with section J.7.c of BoB Circular No. A-21, special provision must be made in the contract if summer salaries are to be paid under the stipulated salary support procedure; the contract should provide specifically for any stipulated salary support amount for summer salaries and provide that any research covered by stipulated summer salary support must be carried out during the summer, not during the academic year, and at locations approved in advance by the Commission.

(d) If after the award of a contract the contractor wishes to charge the AEC for the personal services of a professorial staff member for whom a stipulated salary support amount has not been established in the contract, the contractor shall use the payroll distribution procedure of section J.7.b of BoB Circular A-21 as the basis for such charges, except as the parties may otherwise mutually agree in writing.

(e) The stipulated salary support procedure shall not be used as a basis for establishing the amount of a contractor's contribution to the research work. In those cases in which the contractor is required to maintain records in support of a contribution of the cost of professorial staff, the payroll distribution procedure of section J.7.b of BoB Circular A-21 should be used.

(f) The certification required by Appendix C of AECPR 9-16.5002-8 fulfills the certification requirement of section K of BoB Circular No. A-21, for the special research support agreement. In cost-type contracts (AECPR 9-16.5002-9) the payments article should provide for appropriate certification by the contractor, on payment invoices or vouchers, to meet the requirements of section K.

3. In paragraph (d) of § 9-4.5112-2, *Responsibilities of AEC Field Offices*, the following subparagraph is added:

§ 9-4.5112-2 *Responsibilities of AEC Field Offices.*

(d) * * *

(5) Any request by a contractor to revise an established stipulated salary support amount, and any notification by a contractor that it is reducing the charges to the AEC under the stipulated salary support procedure (see AECPR 9-4.5106-3a(c)).

4. In § 9-16.5002-8, *Outline of special research support agreement for educational institutions*, subparagraph (a) (1) of Article A-II, *Ways and means of performance*, is revised.

5. In § 9-16.5002-8, *Outline of special research support agreement for educational institutions*, paragraph (c) of Article B-II—*Inspection, Reports, Records and Accounts*, is revised.

6. In § 9-16.5002-8, *Outline of special research support agreement for educational institutions*, Article B-XXI—*Reports and Renewal Proposals*, the paragraph entitled "Report of Equipment Purchased or Fabricated" is revised.

The affected portions of 9-16.5002-8 read as follows:

§ 9-16.5002-8 *Outline of special research support agreement for educational institutions.*

APPENDIX A

A-II. *Ways and means of performance:*

(a) * * *

(1) Salaries and wages.

[List by name(s) the principal investigator(s). List categories of other personnel, according to scientific discipline or other designation, and the number of personnel in each category expected to participate in the research work. Also show the estimated percentage of time or effort to be devoted to the contract work by the principal investigator(s) and each category of other personnel over the contract period. If any stipulated salary support amounts for professorial staff members are established in accordance with AECPR 9-4.5106-3a, the stipulated amounts, along with any limitations or requirements on the use of such stipulated amounts (see AECPR 9-4.5106-3a(c)) should be provided for in the contract.]

ARTICLE B-II—*INSPECTION, REPORTS, RECORDS AND ACCOUNTS*

(c) The contractor agrees to keep records and books of account, in accordance with generally accepted accounting principles and practices, and consistent with the requirements of BoB Circular No. A-21 as constituted on the effective commencement date of the contract period, covering its costs and expenditures for items included under Article A-II(a) of Appendix A and which are in furtherance of the research work under this contract. In the event a contractor contribution is listed in Article A-II(b), the contractor shall maintain records adequate to permit the Commission to determine the extent of the contribution. If professional staff members are included under Article A-II(b), the contractor shall maintain records on such personnel in accordance with the payroll distribution procedure of section J.7.b of BoB Circular No. A-21.

ARTICLE B-XXI—*REPORTS AND RENEWAL PROPOSALS*

REPORT OF EQUIPMENT PURCHASED OR FABRICATED

The Contractor shall itemize equipment having a useful life expectancy in excess of 1 year and an acquisition cost in excess of \$100 purchased or fabricated by the Contractor when title to such equipment is vested in the Contractor pursuant to the Grant Act (Public Law 85-934)—omit any items appearing in Article V—and submit a report thereof within 3 months after the expiration of the contract year specified in Article II. Where the cost of individual pieces of equipment exceeds \$1,000, they will be listed individually. Where individual items cost \$100 to \$1,000, they will also be individually listed to the extent practical or grouped in general categories, such as "electronic equipment" or "six motors," with the total dollar amount of such category. The cost of purchased items shall be determined by the actual invoice cost of such items, but the cost of fabricated items may be established by engineering estimates. This report may be submitted in conjunction with the certified statement required by Article B-XXVII of this contract.

7. In § 9-16.5002-9, *Outline of cost-type contract for research and development with educational institutions*, Article B-2—*Allowable Costs*, is revised.

8. In § 9-16.5002-9, *Outline of cost-type contract for research and development with educational institutions*, paragraph (a) of Article B-4—*Accounts, Records, Inspection and Reports*, is revised.

9. In § 9-16.5002-9, *Outline of cost-type contract for research and development with educational institutions*, Article B-33—*Payments*, is revised.

The affected portions of 9-16.5002-9 read as follows:

§ 9-16.5002-9 *Outline of cost-type contract for research and development with educational institutions.*

ARTICLE B-2—*ALLOWABLE COSTS*

Insert AECPR 9-7.5006-11.

[Provisional overhead rate may be established by an appropriate paragraph (c) in lieu of the paragraph (c) entitled "Predetermined Overhead Rates." If any stipulated salary support amounts for professorial staff members are established in accordance with AECPR 9-4.5106-3a, the stipulated amounts, along with any limitations or requirements on the use of such stipulated amounts (see AECPR 9-4.5106-3a(c)) should be provided for in this article, or in another article or separate document referenced in this article.]

ARTICLE B-4—*ACCOUNTS, RECORDS, INSPECTION AND REPORTS*

(a) *Accounts.* The Contractor shall maintain accounts, records, documents, and other evidence showing and supporting [Note A] all allowable costs incurred, revenues or other applicable credits, and the receipt, use, and disposition of all Government property coming into the possession of the Contractor under this contract. The system of accounts employed by the Contractor shall be satisfactory to the Commission and in accordance with generally accepted accounting principles consistently applied and consistent with the requirements of BoB Circular No. A-21 as constituted on the effective commencement date of the contract period.

ARTICLE B-33—*PAYMENTS*

Insert AECPR 9-7.5006-25, modified by substitution of (b) for (c) in last sentence of paragraph (a), omission of paragraph (b) and the words "and any part of the fixed fee which has been withheld pursuant to (b) above or otherwise not paid to the Contractor" in paragraph (d) and relettering of the paragraphs. An additional paragraph should be added to provide for appropriate certification by the Contractor, on payment invoices or vouchers, to meet the requirements of section K of BoB Circular No. A-21.

(Sec. 161, Atomic Energy Act of 1954, as amended, 68 Stat. 948, 42 U.S.C. 2201; sec. 205, Federal Property and Administrative Services Act of 1949, as amended, 63 Stat. 390, 40 U.S.C. 486)

Effective date. These amendments shall be effective September 1, 1968, but may be observed earlier.

Dated at Germantown, Md., this 17th day of July 1968.

For the U.S. Atomic Energy Commission.

JOSEPH L. SMITH,
Director, Division of Contracts.

[F.R. Doc. 68-8728; Filed, July 22, 1968; 8:46 a.m.]

Proposed Rule Making

DEPARTMENT OF COMMERCE

Maritime Administration

[46 CFR Part 284]

RESIDUAL VALUE OF VESSELS

Adjustments for Depreciation

The Acting Maritime Administrator and the Maritime Subsidy Board are considering the adoption of an amendment of § 284.2(f) of 46 CFR Part 284, changing the residual value formula from 2½ percent to a more realistic percentage, namely, 17 percent of a vessel's construction cost in the computation of depreciation beginning January 1, 1969, on subsidized vessels with a 25-year statutory economic life, subject to adjustment to actual resale value, trade-in allowance, or a value determined by the Maritime Administration's Ship Valuation Committee, upon termination of the vessel's subsidy status or expiration of its statutory economic life, whichever occurs first; such adjustment to be made in the then current subsidy recapture period by revision of depreciation if required. The proposed residual value formula is based on actual residual values reflected in the dispositions of fully depreciated vessels by subsidized operators.

It is proposed to amend § 284.2(f) by adding a new subdivision (ii) to subparagraph (1) reading as follows and designating the existing text of subparagraph (1) as subdivision (i):

§ 284.2 Basis of valuation.

(i) Adjustments for depreciation.

(ii) On and after January 1, 1969, in computing depreciation on a 25-year statutory economic life vessel, the residual value (meaning the salvage (resale) value of the vessel) shall be deemed to be 17 percent of the original construction cost (meaning the full domestic shipyard construction cost in so far as vessels constructed under title V or title VII of the Merchant Marine Act, 1936, are concerned), subject to adjustment to:

- The actual resale value;
- The trade-in allowance made pursuant to section 510 of the Act; or
- The value established by the Maritime Administration's Ship Valuation Committee where no resale or trade-in has occurred, upon termination of the vessel's subsidy status or expiration of its statutory economic life, whichever occurs first; such adjustment to be made in the then current subsidy recapture period by revision of depreciation if required.

Any subsidized operator who desires to offer comments on the foregoing should

submit same in writing, in triplicate, to the Secretary, Maritime Administration, Washington, D.C. 20235, by close of business on September 30, 1968. The Acting Maritime Administrator and the Maritime Subsidy Board will consider any such comments and take such action as in their discretion is deemed warranted.

(Sec. 204, 49 Stat. 1987, as amended; 46 U.S.C. 1114; sec. 607, 66 Stat. 764, as amended; 46 U.S.C. 1177)

Dated: July 18, 1968.

By order of the Acting Maritime Administrator and the Maritime Subsidy Board.

JOHN M. O'CONNELL,
Assistant Secretary.

[F.R. Doc. 68-8788; Filed, July 22, 1968; 8:50 a.m.]

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

[14 CFR Part 71]

[Airspace Docket No. 67-SO-117]

ADDITIONAL CONTROL AREA

Withdrawal of Proposed Designation

On May 24, 1968, a notice of proposed rule making was published in the FEDERAL REGISTER (33 F.R. 7697) stating that the Federal Aviation Administration was considering an amendment to Part 71 of the Federal Aviation Regulations that would designate an additional control area from the Jackson, Miss., VORTAC direct to the Greenville, Miss., VOR.

The preponderance of the IFR air traffic between Jackson and Greenville was generated by an air taxi operator. This operator has discontinued service along the route. Accordingly, the Administrator has determined that the assignment of airspace proposed in the notice would not be in the public interest.

In consideration of the foregoing, notice is hereby given that the proposal set forth in Airspace Docket No. 67-SO-117 is hereby withdrawn.

This withdrawal is made under the authority of section 307(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1348).

Issued in Washington, D.C., on July 16, 1968.

H. B. HELSTROM,
Chief, Airspace and Air
Traffic Rules Division.

[F.R. Doc. 68-8768; Filed, July 22, 1968; 8:50 a.m.]

[14 CFR Part 71]

[Airspace Docket No. 68-CE-47]

CONTROL ZONE AND TRANSITION AREA

Proposed Designation and Alteration

The Federal Aviation Administration is considering amending Part 71 of the Federal Aviation Regulations so as to designate a control zone and alter the transition area at Glasgow, Mont.

Interested persons may participate in the proposed rule making by submitting such written data, views, or arguments as they may desire. Communications should be submitted in triplicate to the Director, Central Region, Attention: Chief, Air Traffic Division, Federal Aviation Administration, Federal Building, 601 East 12th Street, Kansas City, Mo. 64106. All communications received within 45 days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendments. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Administration officials may be made by contacting the Regional Air Traffic Division Chief.

Any data, views, or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposals contained in this notice may be changed in the light of comments received.

A public docket will be available for examination by interested persons in the Office of the Regional Counsel, Federal Aviation Administration, Federal Building, 601 East 12th Street, Kansas City, Mo. 64106.

Since designation of the Glasgow, Mont. transition area, the instrument approach procedures for Glasgow International Airport have been modified and the criteria for the designation of transition areas has changed. In addition, communications services which are adequate for the designation of a control zone at Glasgow have been established by the installation of a remote communications outlet. The U.S. Weather Bureau will provide weather reporting services. Therefore, in order to provide adequate controlled airspace and accomplish the aforementioned purposes, it is necessary to designate a control zone at Glasgow and to alter the Glasgow transition area.

In consideration of the foregoing, the Federal Aviation Administration proposes to amend Part 71 of the Federal Aviation Regulations as hereinafter set forth:

(1) In § 71.171 (33 F.R. 2058), the following control zone is added:

GLASGOW, MONT.

Within a 5-mile radius of Glasgow International Airport (latitude 48°12'50" N., longitude 106°37'10" W.); within 2 miles each side of the 079° bearing from Glasgow International Airport, extending from the 5-mile radius zone to 8 miles east of the airport; and within 2 miles each side of the 290° bearing from Glasgow International Airport, extending from the 5-mile radius zone to 8 miles west of the airport.

(2) In § 71.181 (32 F.R. 2148) the following transition area is amended to read

GLASGOW, MONT.

That airspace extending upward from 700 feet above the surface within an 8-mile radius of Glasgow International Airport (latitude 48°12'50" N., longitude 106°37'10" W.); and within 2 miles each side of the Glasgow VOR 195° and 015° radials extending from the 8-mile radius area to 8 miles north of the VOR; and that airspace extending upward from 1,200 feet above the surface within 8 miles south and 5 miles north of the 290° bearing from Glasgow International Airport, extending from the airport to 12 miles west of the airport; within 8 miles north and 5 miles south of the 079° bearing from Glasgow International Airport, extending from the airport to 12 miles east of the airport; and within 8 miles west and 5 miles east of the Glasgow VOR 195° and 015° radials, extending from 12 miles north to 12 miles south of the VOR.

These amendments are proposed under the authority of section 307(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1348).

Issued at Kansas City, Mo., on July 8, 1968.

EDWARD C. MARSH,
Director, Central Region.

[F.R. Doc. 68-8769; Filed, July 22, 1968;
8:50 a.m.]

[14 CFR Parts 71, 75]

[Airspace Docket No. 68-EA-50]

JET ROUTES AND DOMESTIC HIGH ALTITUDE REPORTING POINTS

Proposed Alteration, Revocations, and Designation

The Federal Aviation Administration is considering amendments to Parts 71 and 75 of the Federal Aviation Regulations which would alter several jet routes and high altitude reporting points in the northeast portion of the United States. The proposals contained herein constitute one of four notices of proposed rule making designed to increase the traffic handling capacity of the high altitude structure in this area. The three other notices of proposed rule making are being processed in Airspace Docket Nos. 68-EA-28, 68-EA-34, and 68-EA-52.

Within the past 4 years the amount of high altitude traffic operating within the northeast portion of the United States has more than tripled. In order to increase our capacity to accommodate this additional traffic, we are planning extensive jet route modifications. The proposals are divided into four separate notices of proposed rule making since the effective dates of most of the proposed alterations would be determined by the

varied dates on which the associated navigational frequency changes can be made. Also, separation of the many proposed alterations into separate groups with different effective dates would reduce the requirement to use substitute routes. Some new jet routes would be designated, some existing jet route segments would be realigned, and others revoked. The route distances between terminal areas would be increased in some instances and decreased in others. However, the most significant goal in these proposals is the restructuring of the jet route system so that more aircraft can operate therein.

In consideration of the foregoing the following amendments to Parts 71 and 75 of the Federal Aviation Regulations are proposed:

1. Realignment of Jet Route No. 34 from Cleveland, Ohio, via intersection of Cleveland 129° T (132° M) and Indian Head, Pa., 292° T (298° M) radials; Indian Head to Westminster, Md.
2. Realignment of Jet Route No. 49 from Philipsburg, Pa., via Hancock, N.Y., to Albany, N.Y.
3. Designation of a new Jet Route No. 145 from Charleston, W. Va., to intersection of Charleston 024° T (027° M) and Indian Head, Pa., 271° T (277° M) radials.
4. Realignment of Jet Routes 80/110 from Indianapolis, Ind., via Indian Head, Pa.; intersection of Indian Head 080° T (086° M) and Coyle, N.J., 278° T (288° M) radials; to Coyle.
5. Revocation of Jet Route No. 49 from Charleston, W. Va., to Philipsburg, Pa.
6. Revocation of Allegheny, Pa., as a domestic high altitude reporting point.
7. Revocation of Jet Route No. 12 in its entirety.
8. Revocation of Jet Route No. 30 between Front Royal, Va., and Herndon, Va.
9. Designation of Indian Head, Pa., as a domestic high altitude reporting point.

The jet route modifications proposed herein would normally be used as follows:

1. Jet Route No. 34 as westbound departure route from the Baltimore, Md., terminal area and Andrews Air Force Base.
2. Jet Route No. 49 as bidirectional route.
3. Jet Route Nos. 80/110 as bidirectional route.
4. Jet Route No. 145 as northbound arrival route to Pittsburgh, Pa., terminal area.

Revocation of Jet Route No. 12 is proposed herein even though extensive use is presently made of this route for departing traffic en route from the Baltimore terminal area to the west. Since this route is aligned in an area where radar coverage is limited, better service can be provided by using the realignment of Jet Route No. 34 as proposed herein for traffic departing Baltimore and Andrews AFB.

Jet Route No. 30 is presently designated in part from Front Royal, Va., to Herndon, Va., and normally serves arrival/departure traffic en route to/from Dulles International Airport. However,

aircraft operating between Front Royal and Herndon are generally in a transition phase between the high and low altitude structures, and there is no need for a jet route segment east of Front Royal. In addition, revocation of this segment of Jet Route No. 30 would permit removal of Herndon VOR from the high altitude structure and use of this frequency where it is needed.

The two segments of Jet Route No. 49 emanating from the Allegheny VOR are used by arrival/departure traffic en route to/from the Greater Pittsburgh Airport. This traffic is generally in a transition phase between the high and low altitude structures, and these two segments of Jet Route No. 49 are not required. Aircraft which operate between Charleston, W. Va., and Philipsburg, overflying Pittsburgh, could operate via Jet Route No. 78 with a decrease in distance of 11 miles.

Interested persons may participate in the proposed rule making by submitting such written data, views, or arguments as they may desire. Communications should identify the airspace docket number and be submitted in triplicate to the Director, Eastern Region, Attention: Chief, Air Traffic Division, Federal Aviation Administration, Federal Building, John F. Kennedy International Airport, Jamaica, N.Y. 11430. All communications received within 45 days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. The proposal contained in this notice may be changed in the light of comments received.

An official docket will be available for examination by interested persons at the Federal Aviation Administration, Office of the General Counsel, Attention: Rules Docket, 800 Independence Avenue SW., Washington, D.C. 20590. An informal docket also will be available for examination at the office of the Regional Air Traffic Division Chief.

These amendments are proposed under the authority of section 307(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1348).

Issued in Washington, D.C., on July 16, 1968.

H. B. HELSTROM,
Chief, Airspace and Air
Traffic Rules Division.

[F.R. Doc. 68-8768; Filed, July 22, 1968;
8:50 a.m.]

[14 CFR Parts 71, 75]

[Airspace Docket No. 68-EA-52]

JET ROUTES AND DOMESTIC HIGH ALTITUDE REPORTING POINTS

Proposed Alterations, Revocations, and Designation

The Federal Aviation Administration (FAA) is considering amendments to Parts 71 and 75 of the Federal Aviation Regulations which would alter several jet routes and high altitude reporting points in the northeast portion of the United States. The proposals contained

herein constitute one of four notices of proposed rule making designed to increase the traffic handling capacity of the high altitude structure in this area. The three other notices of proposed rule making are being processed in Airspace Docket Nos. 68-EA-28, 68-EA-34, and 68-EA-50.

Within the past 4 years, the amount of high altitude traffic operating within the northeast portion of the United States has more than tripled. In order to increase our capacity to accommodate this additional traffic, we are planning extensive jet route modifications. The proposals are divided into four separate notices of proposed rule making since the effective dates of most of the proposed alterations would be determined by the varied dates on which the associated navigational frequency changes can be made. Also, separation of the many proposed alterations into separate groups with different effective dates would reduce the requirement to use substitute routes. Some new jet routes would be designated, some existing jet route segments would be realigned and other revoked. The route distances between terminal areas would be increased in some instances and decreased in others. However, the most significant goal in these proposals is the restructure of the jet route system so that more aircraft can operate therein.

In consideration of the foregoing, the following amendments to Parts 71 and 75 are proposed:

1. Realignment of Jet Route No. 6 from Westminster, Md., via intersection of Westminster 080° T (088° M) and Robbinsville, N.J., 247° T (257° M) radials; Robbinsville; to Kennedy, N.Y.
2. Realignment of Jet Route No. 8 from Charleston, W. Va., via Casanova, Va.; intersection of Casanova 051° T (057° M) and Robbinsville, N.J., 247° T (257° M) radials; Robbinsville; to Kennedy, N.Y.
3. Realignment of Jet Route No. 42 from Beckley, W. Va., via Casanova, Va.; intersection of Casanova 051° T (057° M) and Robbinsville, N.J., 247° T (257° M) radials; Robbinsville; to Kennedy, N.Y.
4. Realignment of Jet Route No. 60 from Philipsburg, Pa., via Solberg, N.J.; to Kennedy, N.Y.
5. Realignment of Jet Route No. 64 from Ellwood City, Pa., via Robbinsville, N.J.; to Kennedy, N.Y.
6. Realignment of Jet Route No. 78 from Philipsburg, Pa., via Solberg, N.J.; to Kennedy, N.Y.
7. Realignment of Jet Route No. 575 from Boston, Mass., to Putnam, Conn.
8. Extension of Jet Route No. 48 from Westminster, Md., via Solberg, N.J.; Putnam, Conn.; to Boston, Mass.
9. Extension of Jet Route No. 581 from Bangor, Maine, via Kennebunk, Maine; Boston, Mass.; Providence, R.I.; to Hampton, N.Y.
10. Designation of new Jet Route No. 147 from Beckley, W. Va., to Gordonsville, Va.
11. Designation of new Jet Route No. 149 from Appleton, Ohio, via intersection of Appleton 122° T (124° M) and Casa-

nova, Va., 280° T (286° M) radials; to Casanova.

12. Revocation of Jet Route No. 77 from Boston, Mass., to the United States/Canadian border.

13. Revocation of Jet Route No. 142 from Charleston, W. Va., to Herndon, Va.

14. Revocation of Herndon, Va., and Yardley, Pa., as domestic high altitude reporting points.

15. Designation of Casanova, Va., Robbinsville, N.J., and Solberg, N.J., as domestic high altitude reporting points.

The jet route modifications proposed herein would normally be used as follows:

1. Jet Route No. 6 as northeastbound route to the New York City terminal area.
2. Jet Route No. 8 as northeastbound route to the New York City terminal area.
3. Jet Route No. 42 southwest of Casanova as bidirectional route; northeast of Casanova as northeastbound route to the New York City terminal area.
4. Jet Route No. 60 east of Philipsburg as eastbound route to Newark and La Guardia Airports; west of Philipsburg as bidirectional route.
5. Jet Route No. 64 as eastbound route to Kennedy and Newark.
6. Jet Route No. 78 east of Philipsburg as eastbound route to Newark and La Guardia Airports; southwest of Philipsburg as bidirectional route.
7. Jet Route No. 575 as southbound route to Kennedy Airport from overseas terminals.
8. Jet Route No. 581 south of Boston as northbound route to or over Boston; north of Boston as bidirectional route.
9. Jet Route No. 48 as southbound route to bypass the New York City terminal area.
10. Jet Route No. 147 as northeastbound route.
11. Jet Route No. 149 as northwestbound departure route from Washington, D.C., terminal area.

Jet Route No. 142 is proposed for revocation since aircraft operating northeast of Charleston, W. Va., could operate via Jet Route No. 6 or via the realignment of Jet Route No. 8 as proposed herein. The proposed revocation of Jet Route No. 77 is merely an editorial action since it would be duplicated by the modification of Jet Route No. 581 as proposed herein.

Interested persons may participate in the proposed rule making by submitting such written data, views, or arguments as they may desire. Communications should identify the airspace docket number and be submitted in triplicate to the Director, Eastern Region, Attention: Chief, Air Traffic Division, Federal Aviation Administration, Federal Building, John F. Kennedy International Airport, Jamaica, N.Y. 11430. All communications received within 45 days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendments. The proposals contained in this notice may be changed in the light of comments received.

An official docket will be available for examination by interested persons at the Federal Aviation Administration, Office of the General Counsel, Attention: Rules Docket, 800 Independence Avenue SW., Washington, D.C. 20590. An informal docket also will be available for examination at the office of the Regional Air Traffic Division Chief.

These amendments are proposed under the authority of section 307(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1348).

Issued in Washington, D.C., on July 16, 1968.

H. B. HELSTROM,
Chief, Airspace and Air
Traffic Rules Division.

[F.R. Doc. 68-8767; Filed, July 22, 1968;
8:50 a.m.]

INTERSTATE COMMERCE COMMISSION

[49 CFR Ch. X]

[Ex Parte No. MC-72]

SHIPMENTS OF NEW FURNITURE

Motor Service

At a general session of the Interstate Commerce Commission, held at its office in Washington, D.C., on the 11th day of July 1968.

This proceeding is specifically directed to an examination into and evaluation of the problems experienced by manufacturers of new furniture in obtaining responsive and adequate transportation facilities for the marketing and shipment of their products, with a view to determining whether the public convenience and necessity, considered on a national scale, require (1) the authorization by general rule of all motor common carriers of household goods or household goods as defined by this Commission to transport also shipments of new furniture within the territorial scope of their existing operating rights, (2) the similar authorization by general rule of all motor common carriers already specifically authorized to transport new furniture also to handle general commodities either in mixed loads with new furniture or on reciprocal movements directly connected with movements (either outbound or inbound) of new furniture, in order to enable such carriers to balance their overall operations physically and economically and to improve service to the public, or (3) both, some reasonable modification of these approaches, or such other and further action as may be deemed necessary or appropriate to alleviate the problems disclosed by this proceeding.

Specialization in the manufacture of furniture results in many factories having wide markets and necessitates long hauls to the wholesale-retail market. Rail service in the movement of furniture has proven to be less than satisfactory. With the curtailment of rail less-carload

service and the evident disenchantment of many freight forwarders with the transportation of new furniture, the manufacturers have been constrained to rely almost entirely upon motor carrier service. In this context, the availability of motor carrier service has become a key factor in the distribution of this industry's products and its continuance has become of paramount importance. Historically, those motor common carriers authorized to transport either general commodities or, specifically, new furniture, have been the primary movers of this traffic. However, no one motor carrier has the requisite authority to render a nationwide single-line service which would permit a particular new furniture manufacturer access to all its markets. It has thus been necessary for the industry to rely on these common carriers voluntarily to establish through routes, joint rates, and interchange arrangements among themselves: the most efficient and economical means available to the industry for distribution to various markets. Absent these joint arrangements, which are today being entered into rarely and then only reluctantly,¹ the individual new furniture manufacturer is compelled to incur a combination of local charges over separate routes, which result in a great increase in its transportation costs. Likewise, the growing number of cancellations of such joint arrangements on only new furniture, while retaining them on other freight, by the general commodity motor carrier has the same effect. Indeed, the propriety of this latter action is a central issue in No. 34815, National Furniture Traffic Conference, Inc. v. Associated Truck Lines, Inc., now pending before this Commission as a proceeding involving an issue of general transportation importance. Finally, it has consistently been held that authority to transport household goods does not embrace the transportation of new furniture, uncrated, moving in the regular channels of commerce; and though the general commodity carrier has the authority to handle new furniture, uncrated, it generally has refrained from doing so by the general tenor of the packing requirements in its tariff. Cf. American Red Ball Transit Co., Inc. v. McLean Trucking, 67 M.C.C. 305.

Because of the essential characteristics of the new furniture industry and its products, the transportation traits attendant to the movement of such traffic, and the action or nonaction of the general commodity motor carriers, there is now presented a precipitous situation which appears to threaten the very foundation of that industry. To explore further the transportation problems of this vital industry, which seem to mirror (albeit in an aggravated manner) those

which have historically plagued the small shipper, and to ascertain what, if anything, can be done to resolve them, we hereby institute this proceeding.

The approaches described generally in the opening paragraph of this order appear to represent sound methods of making available to the new furniture industry a needed transportation service on a practicable and reasonable basis. Motor common carriers of household goods possess the equipment, experience, and personnel necessary to the efficient and economical hauling of new furniture. Such carriers may and do transport new furniture with the only qualification being that they do so at the instance or request of a householder as an incident of a move by the householder from one domicile to another. North American Van Lines, Inc., Extension—New Furniture, 49 M.C.C. 368. In these circumstances, it would appear neither arbitrary nor unreasonable to enable all motor common carriers of household goods to transport new furniture without regard to the stated qualification as an operation directly related to their basic field of service. Cf. L. Nelson & Sons Transp. Co., Extension—Synthetics, 62 M.C.C. 271. Such action also would seem to permit these household goods carriers to balance their operations which, because of the peak summer period they experience, are today highly seasonal. This is one of the possibilities that will be considered further in this proceeding.

Further, the economic rendition of prompt, dependable, and necessary transportation service to new furniture shippers by those motor common carriers specifically authorized to transport items of new furniture often is dependent upon the availability of adequate equipment and the performance of a revenue-producing reciprocal haul. As a corollary, the absence of a return trip in many instances renders the furniture movement impractical and uneconomic. Consequently, in this proceeding we shall also explore the necessity of enabling transporters of new furniture, specifically, to balance their total operations by affording them the incidental right to transport general commodities either in the same vehicle with new furniture or in movements reciprocal to their authorized hauls of new furniture.

It is ordered, That, based upon the foregoing explanation and good cause appearing therefor, a proceeding be, and it is hereby, instituted under the authority of part II of the Interstate Commerce Act, and more specifically of sections 204(a) (1) and (6), 206, 207, and 208(a) thereof, and sections 4 and 12 of the Administrative Procedure Act, for the purpose of examining into the problems experienced by manufacturers of new furniture in obtaining responsive and adequate transportation facilities for the marketing and shipment of their products, with a view to determining whether the public convenience and necessity, considered on a national scale, require (1) the authorization by general rule of all motor common carriers of household goods or household goods as defined by

this Commission to transport also shipments of new furniture within the territorial scope of their existing operating rights, (2) the similar authorization by general rule of all motor common carriers already specifically authorized to transport new furniture also to handle general commodities either in mixed loads with new furniture or on reciprocal movements directly connected with movements (either outbound or inbound) of new furniture, in order to enable such carriers to balance their overall operations physically and economically, and to improve service to the public, or (3) both, some reasonable modification of these approaches, or such other and further action as may be deemed necessary or appropriate to alleviate the problems disclosed by this proceeding.

It is further ordered, That the Bureau of Enforcement of this Commission be, and it is hereby, authorized and directed to participate in this proceeding.

It is further ordered, That all motor carriers of property operating in interstate or foreign commerce subject to the Interstate Commerce Act, be, and they are hereby, made respondents in this proceeding.

It is further ordered, That no oral hearing be scheduled for the receiving of testimony in this proceeding unless a need therefor should later appear, but that carriers, shippers, or other interested persons may participate in this proceeding by submitting for consideration written statements of facts, views, and arguments on the subjects mentioned above, or any other subjects pertinent to this proceeding.

It is further ordered, That any person intending to participate in this proceeding by submitting initial statements or reply statements shall notify the Commission, by filing with the Secretary, Interstate Commerce Commission, Washington, D.C. 20423, on or before August 12, 1968, the original and one copy of a statement of his intention to participate; that the Commission shall then prepare and make available to all such persons a list containing the names and addresses of all parties to this proceeding, upon whom copies of all statements must be filed; and that at the time of the service of the service list the Commission will fit the time within which initial statements and reply statements must be filed.

And it is further ordered, That a copy of this order be mailed to the Governor of every State and to the Public Utilities Commissions or Boards of each State having jurisdiction over motor transportation; that a copy be posted in the Office of the Secretary, Interstate Commerce Commission, Washington, D.C., for public inspection, and that a copy be delivered to the Director, Office of the Federal Register, for publication in the FEDERAL REGISTER as notice to all interested persons.

By the Commission.

[SEAL]

H. NEIL GARSON,
Secretary.

[F.R. Doc. 68-8748; Filed, July 22, 1968;
8:48 a.m.]

¹It appears, however, that a number of major motor common carriers of general commodities now have pending identical proposals to withdraw their present through-route restrictions against new furniture, but these proposals would become effective only after this Commission's approval of the increased ratings proposed in Docket No. 34922, Investigation of Ratings on Furniture in NMFC.

Notices

DEPARTMENT OF STATE

Agency for International Development

BUREAU FOR EAST ASIA DIRECTOR, PROCUREMENT MANAGEMENT, AND CHIEF, SERVICES CONTRACTS DIVISION

Redelegation of Authority Regarding Contracting Functions

Pursuant to the authority delegated to me by Delegation of Authority No. 17 from the Administrator, dated June 14, 1962, as amended, I hereby redelegate, for countries or areas within the responsibility of the Assistant Administrator for East Asia, authority to the Director, Procurement Management and the Chief, Services Contracts Division, to sign or approve the following:

(1) Contracts and amendments to contracts financed in whole or in part by A.I.D., other than contracts exclusively for the supply of commodities, and grants other than to a foreign government, or agencies of a foreign government, or an international organization;

(2) Letters of Commitment and Notices of Approval for Financing of Co-operating Country Contracts for contracts described in paragraph (1) above;

(3) Amendments or modifications (pursuant to Executive Order 11223) involving less than \$25,000 of A.I.D.—financed contracts entered into with non-profit institutions under which no fee is charged or paid, where the amendment or modification is requested by the contractor and does not involve a consideration for the United States: *Provided*, That all such amendments or modifications are requested prior to final payment under the contract.

The authorities herein redelegated may be exercised by a person who is performing the functions of the Director, Procurement Management or the Chief, Services Contracts Division, in an "Acting" capacity. The authorities are to be exercised in accordance with regulations, procedures and policies now or hereafter established or modified and promulgated within A.I.D.

The authorities redelegated herein may not be further redelegated.

The Redelegation of Authority from the Assistant Administrator for Far East to the Chief, Contract Staff dated June 28, 1962, as amended by Redelegation of Authority dated March 2, 1967, and the Redelegation of Authority from the Assistant Administrator for the Far East to the Director, Far East Contracts Staff dated November 2, 1964, are hereby superseded.

This redelegation of authority is effective immediately.

JOHN C. BULLITT,
Assistant Administrator,
East Asia.

JULY 16, 1968.

[F.R. Doc. 68-8727; Filed, July 22, 1968;
8:46 a.m.]

DEPARTMENT OF THE TREASURY

Bureau of Customs

[T.D. 68-187]

EXFACTORY SALES

Evidence

JULY 17, 1968.

T.D. 68-105 of April 8, 1968, withdrawn.

On April 8, 1968, in T.D. 68-105, the Bureau stated the holding in the case of *United States v. Bud Berman Sportswear, Inc.* (published as C.A.D. 929), noted that a retrial had been sought, and stated that pending a new ruling by the court, the decision in C.A.D. 929 would be limited to the merchandise which was the subject of the appeal to reappraisal in that case.

It has now been decided not to seek a retrial. Consequently, T.D. 68-105 is hereby withdrawn.

[SEAL]

LESTER D. JOHNSON,
Commissioner of Customs.

[F.R. Doc. 68-8736; Filed, July 22, 1968;
8:47 a.m.]

[461.161]

SECOND CLEAR WHEAT FLOUR

Proposed Tariff Classification

JULY 12, 1968.

The classification of imported second clear wheat flour as animal feeds, and ingredients therefor, not specially provided for, in item 184.70, Tariff Schedules of the United States (TSUS), if fit for human consumption, or in item 131.72, TSUS, if unfit for human consumption, by Treasury Decision 67-254, dated October 27, 1967 (32 F.R. 15186).

As a consequence of that change, it has been considered desirable to review the standards used in determining the fitness of wheat flour for human consumption. The Bureau has for years used an ash-content test as one test in making this determination. Under that test, flour which contains more than a specified percentage of ash has been deemed to be unfit for human consumption.

The Bureau has tentatively concluded that, although an ash test may be suitable for use in making certain determinations respecting wheat flour, it is not

necessarily a suitable test to determine whether such flour is fit for human consumption. Accordingly, the Bureau has tentatively concluded that all wheat flour, including second clear, should be regarded as fit for human consumption in the tariff sense unless it is adulterated or contaminated at the time of importation in such a manner that it cannot be consumed by humans without processing to eliminate such contamination or adulteration.

Consequently, wheat flour which is adulterated or contaminated will be considered to be unfit for human consumption and classified in item 131.72, TSUS, with duty at the rate of 2.5 percent ad valorem. All other wheat flour will be considered fit for human consumption and classified in item 131.40, TSUS, with duty at the rate of 52 cents per hundred pounds.

Pursuant to § 16.10a(d), Customs Regulations (19 CFR 16.10a(d)), notice is hereby given that there is under review in the Bureau of Customs the existing established and uniform practice of classifying wheat flour as unfit for human consumption because of its ash content.

Consideration will be given to any relevant data, views, or arguments pertaining to the correct tariff classification of this merchandise which are submitted in writing to the Commissioner of Customs, Washington, D.C. 20226. To assure consideration, such communications must be received in the Bureau not later than 30 days from the date of publication of this notice. No hearing will be held.

[SEAL]

EDWIN F. RAINS,
Acting Commissioner of Customs.

[F.R. Doc. 68-8735; Filed, July 22, 1968;
8:47 a.m.]

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

[Minneapolis Area Office Redelegation
Order 1, Amdt. 10]

SUPERINTENDENTS, MINNEAPOLIS AREA OFFICE

Redelegation of Authority Regarding Forestry Matters

JULY 16, 1968.

Part 2 of Minneapolis Area Office Redelegation Order 1, as amended, is further amended by the addition of a new section, section 2.234, Timber Sales, Certain Submarginal Lands. The section gives authority to the Superintendents in the Minneapolis Area to approve timber sales from certain submarginal lands; and reads as follows:

PART 2—AUTHORITY OF SUPERINTENDENTS

FUNCTIONS RELATING TO FOREST AND RANGE MANAGEMENT

Sec. 2.234 *Timber sales, certain submarginal lands.* Approval of timber sales, involving stumpage volume of not to exceed 50,000 feet board measure, from certain submarginal lands, administered pursuant to applicable regulations in 25 CFR Part 141, as authorized in Amendment 118 to Bureau Order 551 (33 F.R. 7848).

ROBERT L. BENNETT,
Commissioner.

[F.R. Doc. 68-8722; Filed, July 22, 1968; 8:46 a.m.]

[Billings Area Office Redelegation Order 1, Amdt. 26]

SUPERINTENDENTS AND PROJECT ENGINEER, BILLINGS AREA OFFICE

Redelegation of Authority Regarding Lands and Minerals

Billings Area Office Redelegation Order 1, as amended, is further amended by the revision of section 2.12 under Part 2, Authority of Superintendents and Project Engineer. This revision will enable designated officials to approve homesite and residential leases for terms of 25 years with a renewal option of 25 years. As revised, section 2.12 reads as follows:

Sec. 2.12 *Leases and permits.* All those matters set forth in 25 CFR Part 131 except (1) the approval of leases, other than homesite or residential, which provide for a duration in excess of 10 years, inclusive of any provisions for extensions or renewals thereof at the option of the lessee; and (2) modification of any forms approved by the Secretary of the Interior, the Commissioner of Indian Affairs or the Area Director.

JAMES F. CANAN,
Area Director.

Approved: July 16, 1968.

ROBERT L. BENNETT,
Commissioner.

[F.R. Doc. 68-8723; Filed, July 22, 1968; 8:46 a.m.]

Bureau of Land Management

CHIEF, DIVISION OF BASE OPERATIONS, BOISE INTERAGENCY FIRE CENTER

Delegation of Authority Regarding Contracts and Leases

Director, Boise Interagency Fire Center; Supplement to Bureau of Land Management Manual 1510.

A. Pursuant to delegation of authority contained in Bureau Manual 1510-03B2g, the Chief, Division of Base Operations, Boise Interagency Fire Center, is authorized:

1. To enter into negotiated contracts without advertising pursuant to section 302(c)(2) of the FPAS Act, as amended,

for rental of equipment and aircraft covered by offer agreements, and for purchase of supplies, services, and capitalized equipment (excluding vehicles), necessary for emergency fire suppression.

2. To enter into contracts, pursuant to section 302(c)(3), for supplies and services not to exceed \$2,500, and for construction not to exceed \$2,000: *Provided*, That the requirements are not available from established sources. Capitalized equipment (excluding vehicles) may be procured under this authority only when necessary in emergency fire suppression situations.

3. To procure necessary supplies and services except capitalized equipment from established sources of supply regardless of amount. Capitalized equipment may be purchased in emergency fire suppression situations only.

B. The Chief, Division of Base Operations, may not redelegate the authority granted above.

ROGER R. ROBINSON,
Director.

[F.R. Doc. 68-8707; Filed, July 22, 1968; 8:45 a.m.]

[A 2031]

ARIZONA

Notice of Classification of Public Lands for Multiple-Use Management

1. Pursuant to the Act of September 19, 1964 (78 Stat. 986; 43 U.S.C. 1411-18) and to the regulations in 43 CFR Parts 2410 and 2411, the public lands described below are classified for multiple-use management. Publication of this notice has the effect of segregating all of the public lands described in sections 3a and 3b from appropriation under the agricultural land laws (43 U.S.C. Parts 7 and 9; 25 U.S.C. 334) and from sales under section 2455 of the Revised Statutes (43 U.S.C. 1171). It also has the effect of further segregating the 710 acres of public land in section 3b from the operation of the mining laws to provide protection for the Fort Bowie National Historic Site and the Indian Bread Rock Recreation Area. All of the lands shall remain open to all other forms of appropriation. As used herein, "public lands" means any lands withdrawn or reserved by Executive Order No. 6910 of November 26, 1934, as amended, or within a grazing district established pursuant to the Act of June 28, 1934 (48 Stat. 1269), as amended, which are not otherwise withdrawn or reserved for a Federal use or purpose.

2. The notice of proposed classification of these lands was published April 20, 1968, in 33 F.R. 6132 and was publicized locally. A public hearing was held May 16, 1968 at Willcox, Ariz. Many comments and statements were received during the 60-day period. There was widespread endorsement of the multiple-use classification from individuals and sportsmen's organizations throughout the State. Several protests were received from persons, most of whom did not want changes made in the present utilization of these lands. All comments and state-

ments concerning the proposed classification were carefully considered and evaluated. Since the multiple-use classification will keep these lands available for multiple use of their grazing, wildlife, outdoor recreation, and mineral resources, no major changes were made in the classification. Several minor changes were made to correct errors in the original notice and to protect the 120-acre Indian Bread Rock Recreation Area.

The public record on this classification is available for inspection at the Safford District Office, 1707 Thatcher Boulevard, Safford, Ariz., and at the Land Office, Room 3204, Federal Building, Phoenix, Ariz.

3. The lands involved are located in Cochise County, east of Willcox, Ariz., and are identified on maps available for inspection at the Safford District Office and the Land Office.

GILA AND SALT RIVER MERIDIAN

a. As provided in paragraph 1 above, the following lands are segregated only from appropriation under the agricultural land laws and from public sale under R.S. 2455:

- T. 13 S., R. 26 E.,
Sec. 19, lots 1 and 2, NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, and N $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 21, S $\frac{1}{2}$;
Sec. 27, lots 1, 2, and 3, NW $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, and SW $\frac{1}{4}$ SW $\frac{1}{4}$;
Sec. 28;
Sec. 29, N $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, and E $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 33, N $\frac{1}{2}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$;
Sec. 34, lots 1 to 5, inclusive, W $\frac{1}{2}$ NW $\frac{1}{4}$ and S $\frac{1}{2}$.
T. 14 S., R. 26 E.,
Sec. 1, lots 1 to 7, inclusive, S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$, and SE $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 3, lots 1 to 4, inclusive, S $\frac{1}{2}$ N $\frac{1}{2}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$;
Sec. 4, lots 1 and 2, and S $\frac{1}{2}$ NE $\frac{1}{4}$;
Sec. 11, lots 1 and 2, W $\frac{1}{2}$ NE $\frac{1}{4}$ and E $\frac{1}{2}$ NW $\frac{1}{4}$;
Sec. 12, lots 1 to 9, inclusive, NE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$;
Sec. 13, E $\frac{1}{2}$ except patented mining claims.
T. 12 S., R. 27 E.,
Secs. 12 and 13;
Sec. 22, S $\frac{1}{2}$ S $\frac{1}{2}$;
Sec. 23;
Sec. 24, E $\frac{1}{2}$;
Sec. 26, N $\frac{1}{2}$;
Sec. 27, NE $\frac{1}{4}$.
T. 13 S., R. 27 E.,
Sec. 31, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, and W $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 33, S $\frac{1}{2}$;
Sec. 34, SW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, and S $\frac{1}{2}$ SE $\frac{1}{4}$ except patented mining claims;
Sec. 35, E $\frac{1}{2}$ E $\frac{1}{2}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, and W $\frac{1}{2}$ SE $\frac{1}{4}$.
T. 14 S., R. 27 E.,
Sec. 1, lots 1 to 4, inclusive, S $\frac{1}{2}$ N $\frac{1}{2}$ and S $\frac{1}{2}$;
Sec. 2, lots 1 to 4, inclusive, S $\frac{1}{2}$ N $\frac{1}{2}$ and S $\frac{1}{2}$;
Sec. 3, lots 1 to 12, inclusive, and SW $\frac{1}{4}$;
Sec. 4, lots 1 to 4, inclusive, S $\frac{1}{2}$ N $\frac{1}{2}$ and S $\frac{1}{2}$;
Sec. 5, lots 1 to 4, inclusive, S $\frac{1}{2}$ N $\frac{1}{2}$ and S $\frac{1}{2}$;
Sec. 6, lots 1 to 7, inclusive, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$;
Sec. 7, lots 1 to 5, inclusive, NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$;
Sec. 8;
Sec. 9, lots 1 to 6, inclusive, N $\frac{1}{2}$ N $\frac{1}{2}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, and S $\frac{1}{2}$ S $\frac{1}{2}$;
Sec. 10, lots 1 and 2, W $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, and S $\frac{1}{2}$;

Sec. 11, lots 1, 2, and 3, NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$;
 Secs. 12, 13, and 14;
 Sec. 15, lots 1 to 7, inclusive, NE $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$, and E $\frac{1}{2}$ SE $\frac{1}{4}$;
 Sec. 17, lots 1, 2, and 3, N $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$, and W $\frac{1}{2}$;
 Sec. 18, lots 1 to 9, inclusive, N $\frac{1}{2}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, and S $\frac{1}{2}$ SE $\frac{1}{4}$;
 Sec. 19, lots 1 to 7, inclusive, NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, and N $\frac{1}{2}$ SE $\frac{1}{4}$;
 Sec. 20, lots 1 to 8, inclusive, N $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, and N $\frac{1}{2}$ SW $\frac{1}{4}$;
 Secs. 21 and 22, all except patented mining claims;
 Sec. 23, lots 1 to 4, inclusive, N $\frac{1}{2}$ and N $\frac{1}{2}$ S $\frac{1}{2}$;
 Sec. 24, lots 1 to 4, inclusive, N $\frac{1}{2}$ and N $\frac{1}{2}$ S $\frac{1}{2}$;
 T. 12 S., R. 28 E.,
 Sec. 6, lots 1 to 7, inclusive, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$;
 Sec. 7, lots 1 to 4, inclusive, E $\frac{1}{2}$ and E $\frac{1}{2}$ W $\frac{1}{2}$;
 Sec. 19, lots 1 to 4, inclusive, N $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ W $\frac{1}{2}$, and SE $\frac{1}{4}$;
 Sec. 20, SW $\frac{1}{4}$ and that portion of SE $\frac{1}{4}$ lying west of railroad;
 Sec. 29, W $\frac{1}{2}$;
 Sec. 30, lots 1 to 4, inclusive, E $\frac{1}{2}$ W $\frac{1}{2}$ and E $\frac{1}{2}$;
 Sec. 31, lots 1 and 2, E $\frac{1}{2}$ NW $\frac{1}{4}$.
 T. 13 S., R. 28 E.,
 Sec. 30, lots 2, 3, and 4, SE $\frac{1}{2}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, and W $\frac{1}{2}$ SE $\frac{1}{4}$;
 Sec. 31, lots 1 to 4, inclusive, SE $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$, and E $\frac{1}{2}$ SE $\frac{1}{4}$.
 T. 14 S., R. 28 E.,
 Sec. 3, NW $\frac{1}{4}$ SW $\frac{1}{4}$;
 Sec. 4, lots 1 to 4, inclusive, S $\frac{1}{2}$ NE $\frac{1}{4}$ and S $\frac{1}{2}$;
 Sec. 5, lots 1 to 4, inclusive, S $\frac{1}{2}$ N $\frac{1}{2}$ and S $\frac{1}{2}$;
 Sec. 6, lots 1 to 7, inclusive, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$;
 Sec. 8, S $\frac{1}{2}$ NE $\frac{1}{4}$ and SE $\frac{1}{4}$;
 Sec. 9, SW $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, and W $\frac{1}{2}$ SE $\frac{1}{4}$;
 Sec. 14, E $\frac{1}{2}$;
 Sec. 15;
 Sec. 16, S $\frac{1}{2}$ SE $\frac{1}{4}$;
 Sec. 17, lots 1 to 4, inclusive, E $\frac{1}{2}$ and E $\frac{1}{2}$ W $\frac{1}{2}$;
 Sec. 18, lots 1 to 7, inclusive, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$;
 Sec. 19, lots 1 to 4, inclusive, E $\frac{1}{2}$ and E $\frac{1}{2}$ W $\frac{1}{2}$;
 Secs. 20, 21, and 22;
 Sec. 23, N $\frac{1}{2}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$, and SW $\frac{1}{4}$ SE $\frac{1}{4}$;
 Sec. 26, lots 1 to 4, inclusive, and S $\frac{1}{2}$ S $\frac{1}{2}$;
 Sec. 27, lots 1 to 4, inclusive, and S $\frac{1}{2}$ S $\frac{1}{2}$;
 Sec. 28, lots 1 and 2, and lots 4 to 6, inclusive, NW $\frac{1}{4}$ and N $\frac{1}{2}$ SW $\frac{1}{4}$;
 Sec. 29, lots 1, 2, and 3, NW $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ N $\frac{1}{2}$, and NE $\frac{1}{4}$ SE $\frac{1}{4}$;
 Sec. 30, lot 1, NE $\frac{1}{4}$ and E $\frac{1}{2}$ NW $\frac{1}{4}$;
 Sec. 33, N $\frac{1}{2}$ of lot 1, S $\frac{1}{2}$ of lot 2, and lots 3, 4, and 5;
 Sec. 34, N $\frac{1}{2}$ N $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ N $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$, and S $\frac{1}{2}$ SE $\frac{1}{4}$;
 Sec. 35, lots 1 to 5, inclusive, and N $\frac{1}{2}$ SE $\frac{1}{4}$.
 T. 15 S., R. 28 E.,
 Sec. 1, NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, and SW $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$;
 Sec. 2, SW $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, and NW $\frac{1}{4}$;
 Sec. 3, NE $\frac{1}{4}$ and N $\frac{1}{2}$ SE $\frac{1}{4}$;
 Sec. 10, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$, and SE $\frac{1}{4}$;
 Sec. 11, S $\frac{1}{2}$;
 Sec. 12, S $\frac{1}{2}$ S $\frac{1}{2}$;
 Sec. 13;
 Sec. 14, E $\frac{1}{2}$;
 Sec. 24.

T. 15 S., R. 29 E.,
 Sec. 7, SW $\frac{1}{4}$ SW $\frac{1}{4}$ and SW $\frac{1}{4}$ SE $\frac{1}{4}$;
 Sec. 8, SW $\frac{1}{4}$;
 Sec. 17, lots 1 and 2, N $\frac{1}{2}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$;
 Secs. 18 and 19;
 Sec. 20, lots 1 to 6, inclusive, SW $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$ SW $\frac{1}{4}$;
 Sec. 21, lots 1 to 6, inclusive, outside military reservation, and lots 5 and 6 within military reservation, NW $\frac{1}{4}$ and NE $\frac{1}{4}$ SW $\frac{1}{4}$;
 Sec. 28, lots 1 to 6, inclusive, and lots 11 and 12;
 Sec. 29, lots 1 to 5, inclusive, NW $\frac{1}{4}$ NE $\frac{1}{4}$ and N $\frac{1}{2}$ NW $\frac{1}{4}$;
 Sec. 30, lots 1 and 10, N $\frac{1}{2}$ NE $\frac{1}{4}$ and NE $\frac{1}{4}$ NW $\frac{1}{4}$.
 T. 16 S., R. 30 E.,
 Sec. 1, lots 1 to 11, inclusive, SW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, and W $\frac{1}{2}$ SE $\frac{1}{4}$;
 Sec. 11, NE $\frac{1}{4}$ and N $\frac{1}{2}$ SE $\frac{1}{4}$;
 Sec. 12, lots 1 to 4, inclusive, W $\frac{1}{2}$ E $\frac{1}{2}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, and NW $\frac{1}{4}$ SW $\frac{1}{4}$;
 Sec. 13, lots 1 to 4, inclusive, and W $\frac{1}{2}$ E $\frac{1}{2}$;
 Sec. 23, S $\frac{1}{2}$ SE $\frac{1}{4}$;
 Sec. 24, lots 1 to 4, inclusive, W $\frac{1}{2}$ E $\frac{1}{2}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, and SW $\frac{1}{4}$ SW $\frac{1}{4}$;
 Sec. 25, lots 1 and 2, W $\frac{1}{2}$ NE $\frac{1}{4}$ and NE $\frac{1}{4}$ NW $\frac{1}{4}$.
 T. 16 S., R. 31 E.,
 Sec. 4, SW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, and W $\frac{1}{2}$ SE $\frac{1}{4}$;
 Sec. 5, lots 1 to 4, inclusive, S $\frac{1}{2}$ N $\frac{1}{2}$ and S $\frac{1}{2}$;
 Sec. 6, lots 1 to 7, inclusive, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$;
 Sec. 7, lots 1 to 4, inclusive, E $\frac{1}{2}$ and E $\frac{1}{2}$ W $\frac{1}{2}$;
 Sec. 8;
 Sec. 17, W $\frac{1}{2}$ NW $\frac{1}{4}$ and S $\frac{1}{2}$;
 Sec. 18, lots 1 to 4, inclusive, E $\frac{1}{2}$ and E $\frac{1}{2}$ W $\frac{1}{2}$;
 Sec. 19, lots 1 to 4, inclusive, E $\frac{1}{2}$ and E $\frac{1}{2}$ W $\frac{1}{2}$, except patented mining claims;
 Sec. 20;
 Sec. 21, W $\frac{1}{2}$ NW $\frac{1}{4}$;
 Sec. 28, SW $\frac{1}{4}$ NW $\frac{1}{4}$ and W $\frac{1}{2}$ SW $\frac{1}{4}$;
 Sec. 29, lots 1 and 3, W $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ and N $\frac{1}{2}$ NW $\frac{1}{4}$;
 Sec. 30, lots 1 and 2, except patented mining claims.

The lands described aggregate approximately 53,397.45 acres.

b. As provided in paragraph 1 above, the following lands are segregated from the agricultural land laws, from public sale under R.S. 2455 and from entry under the mining laws to provide a protective buffer zone for the Fort Bowie National Historic Site and the Indian Bread Rock Recreational Area:

T. 14 S., R. 28 E.,
 Sec. 8, N $\frac{1}{2}$ NE $\frac{1}{4}$;
 Sec. 9, NW $\frac{1}{4}$ NW $\frac{1}{4}$.
 T. 15 S., R. 28 E.,
 Sec. 1, W $\frac{1}{2}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$, and S $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$;
 Sec. 2, SW $\frac{1}{4}$ and N $\frac{1}{2}$ N $\frac{1}{2}$ SE $\frac{1}{4}$;
 Sec. 3, N $\frac{1}{2}$ S $\frac{1}{2}$ SE $\frac{1}{4}$ and SE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$;
 Sec. 10, S $\frac{1}{2}$ N $\frac{1}{2}$ NE $\frac{1}{4}$;
 Sec. 11, SW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ S $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$, and S $\frac{1}{2}$ S $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$;
 Sec. 12, N $\frac{1}{2}$ N $\frac{1}{2}$ NE $\frac{1}{4}$.

The lands described aggregate 710 acres of public land.

The lands in the two sections above aggregate approximately 54,107.45 acres of public land.

4. For a period of 30 days, interested parties may submit comments to the

Secretary of the Interior, LLM, 721, Washington, D.C. 20240.

FRED J. WEILER,
 State Director.

JULY 15, 1968.

[F.R. Doc. 68-8705; Filed, July 22, 1968; 8:45 a.m.]

[C-3888]

COLORADO

Notice of Termination of Proposed Classification of Public Lands

JULY 10, 1968.

Notice of proposed classification of lands, Serial No. C-3888 published in F.R. Doc. 68-5754 on page 7161 of the issue for Wednesday, May 15, 1968, is hereby canceled so far as it affects the following described lands. The segregative effect, therefore, will terminate upon publication of this notice in the FEDERAL REGISTER, as provided by the regulations in 43 CFR 2411.2e(2) (ii):

NEW MEXICO PRINCIPAL MERIDIAN, COLORADO

SAGUACHE COUNTY

Block 2

T. 42 N., R. 9 E.,
 Secs. 1, 2, 5, 12, and 13.
 T. 42 N., R. 10 E.,
 Sec. 18.
 T. 43 N., R. 9 E.,
 Secs. 27, 28, 32, 33, and 34.
 T. 43 N., R. 11 E.,
 Secs. 1, 2, 3, 4, and 11.
 T. 43 N., R. 12 E.,
 Secs. 6 and 7.
 T. 44 N., R. 11 E.,
 Secs. 34, 35, and 36.

The area described contains approximately 4,743.80 acres M/L of public land.

E. I. ROWLAND,
 State Director.

[F.R. Doc. 68-8737; Filed, July 22, 1968; 8:47 a.m.]

[Montana 9703]

MONTANA

Notice of Proposed Withdrawal and Reservation of Lands

JULY 12, 1968.

The Bureau of Reclamation has filed an application for the withdrawal of the lands described below, from all forms of appropriation including the mining and the mineral leasing laws except for oil and gas.

The applicant desires the land for the Reichle Reservoir, diversion works, Whitehall and Jefferson Canals, and for irrigation development.

For a period of 30 days from the date of publication of this notice, all persons who wish to submit comments, suggestions, or objections in connection with the proposed withdrawal may present their views in writing to the undersigned officer of the Bureau of Land Management, Department of the Interior, 316 North 26th Street, Billings, Mont. 59101.

The Department's regulations (43 CFR 2311.1-3(c)) provide that the authorized officer of the Bureau of Land Management will undertake such investigations as are necessary to determine the existing and potential demand for the lands and their resources. He will also undertake negotiations with the applicant agency with the view of adjusting the application to reduce the area to the minimum essential to meet the applicant's needs, to provide for the maximum concurrent utilization of the lands for purposes other than the applicant's, to eliminate lands needed for purposes more essential than the applicant's, and to reach agreement on the concurrent management of the lands and their resources.

The authorized officer will also prepare a report for consideration by the Secretary of the Interior who will determine whether or not the lands will be withdrawn as requested by the applicant agency.

The determination of the Secretary on the application will be published in the FEDERAL REGISTER. A separate notice will be sent to each interested party of record.

If circumstances warrant, a public hearing will be held at a convenient time and place, which will be announced.

PRINCIPAL MERIDIAN, MONTANA

REICHLER RESERVOIR

- T. 4 S., R. 8 W.,
Sec. 19, lot 4, SE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 28, lots 3 and 4, E $\frac{1}{2}$ SW $\frac{1}{4}$, and SW $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 29, S $\frac{1}{2}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, and E $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 31, lot 4;
Sec. 32, NE $\frac{1}{4}$ SW $\frac{1}{4}$;
Sec. 33, lots 1 and 2, NE $\frac{1}{4}$ NW $\frac{1}{4}$;
Sec. 34, lots 4, 5, and 6, N $\frac{1}{2}$ S $\frac{1}{2}$ and SE $\frac{1}{4}$ SE $\frac{1}{4}$;
T. 5 S., R. 8 W.,
Sec. 2, SW $\frac{1}{4}$ NW $\frac{1}{4}$;
Sec. 3, lot 1, SE $\frac{1}{4}$ NE $\frac{1}{4}$, and NE $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 4, SW $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, and SW $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 5, SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, and S $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 6, lots 1, 4, 5, and 6, NE $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, and SE $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 8, NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, and E $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 9, NE $\frac{1}{4}$ NE $\frac{1}{4}$;
Sec. 10, N $\frac{1}{2}$ NW $\frac{1}{4}$;
T. 4 S., R. 9 W.,
Sec. 11, SW $\frac{1}{4}$ NW $\frac{1}{4}$;
Sec. 21, NE $\frac{1}{4}$ NE $\frac{1}{4}$;
Sec. 23, NE $\frac{1}{4}$ NE $\frac{1}{4}$;
Sec. 24, S $\frac{1}{2}$ NE $\frac{1}{4}$, and NE $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 25, NE $\frac{1}{4}$ SW $\frac{1}{4}$ and S $\frac{1}{2}$ S $\frac{1}{2}$.

Total for Reichle Reservoir Area is 3,029.79 acres.

WORKS AND PROJECT AREA

- T. 1 S., R. 4 W.,
Sec. 8, NW $\frac{1}{4}$ NW $\frac{1}{4}$;
Sec. 30, NE $\frac{1}{4}$ NW $\frac{1}{4}$;
T. 2 S., R. 6 W.,
Sec. 11, E $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 14, W $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, and SW $\frac{1}{4}$ SW $\frac{1}{4}$;
Sec. 22, lot 7;
Sec. 33, lot 8;
T. 3 S., R. 6 W.,
Sec. 4, lot 1 and SE $\frac{1}{4}$ NE $\frac{1}{4}$;
T. 1 N., R. 1 W.,
Sec. 18, SE $\frac{1}{4}$ SE $\frac{1}{4}$;
T. 10 N., R. 1 W.,
Sec. 12, W $\frac{1}{2}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$.

- T. 1 N., R. 2 W.,
Sec. 14, SW $\frac{1}{4}$ SW $\frac{1}{4}$;
Sec. 20, lots 1 and 7;
T. 1 N., R. 3 W.,
Sec. 13, lots 5, 7, and 8;
Sec. 24, lots 2 and 3, W $\frac{1}{2}$ NE $\frac{1}{4}$, and SE $\frac{1}{4}$;
T. 1 N., R. 4 W.,
Sec. 32, lots 1, 2, and 3, S $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 34, NW $\frac{1}{4}$ NW $\frac{1}{4}$ less MS 5233;
T. 2 N., R. 5 W.,
Sec. 22, SE $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 26, NW $\frac{1}{4}$ NW $\frac{1}{4}$;
T. 2 N., R. 1 E.,
Sec. 30, lots 1 to 4, inclusive, NW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, and SE $\frac{1}{4}$ SW $\frac{1}{4}$;
T. 3 N., R. 1 E.,
Sec. 12, NW $\frac{1}{4}$;
T. 4 N., R. 1 E.,
Sec. 5, S $\frac{1}{2}$ NW $\frac{1}{4}$ and SW $\frac{1}{4}$;
Sec. 8, N $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, and NW $\frac{1}{4}$ SW $\frac{1}{4}$;
T. 5 N., R. 1 E.,
Sec. 17, S $\frac{1}{2}$ NW $\frac{1}{4}$ and SW $\frac{1}{4}$;
T. 10 N., R. 1 E.,
Sec. 14, lots 3, 4, and 5;
Sec. 17, NW $\frac{1}{4}$ SW $\frac{1}{4}$;
T. 5 N., R. 2 E.,
Sec. 13, NE $\frac{1}{4}$ and S $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 24, NE $\frac{1}{4}$;
T. 8 N., R. 2 E.,
Sec. 2, lot 1, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, and NE $\frac{1}{4}$ SE $\frac{1}{4}$;
T. 9 N., R. 2 E.,
Sec. 9, lot 7;
Sec. 16, lots 1, 5, and 6;
Sec. 20, SW $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, and SW $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$;
T. 7 N., R. 3 E.,
Sec. 6, lot 7 and SE $\frac{1}{4}$ SW $\frac{1}{4}$.

Total for Works and Project Area is 3,428.56.

EUGENE H. NEWELL,
Land Office Manager.

[F.R. Doc. 68-8706; Filed, July 22, 1968;
8:45 a.m.]

[OR 3530 (Wash.)]

WASHINGTON

Notice of Proposed Withdrawal and Reservation of Land

JULY 15, 1968.

The Department of the Army, on behalf of the Corps of Engineers, has filed an application, Serial No. OR 3530 (Wash.), for the withdrawal of the public land described below, from all forms of appropriation under the public land laws including the mining laws, but not the mineral leasing laws.

The applicant desires the land known as Dry Gulch Island for the operation and maintenance of the Lower Granite Lock and Dam Project.

For a period of 30 days from the date of publication of this notice, all persons who wish to submit comments, suggestions, or objections in connection with the proposed withdrawal may present their views in writing to the undersigned officer of the Bureau of Land Management, Department of the Interior, 729 Northeast Oregon Street (Post Office Box 2965), Portland, Oreg. 97208.

The authorized officer of the Bureau of Land Management will undertake such investigations as are necessary to determine the existing and potential demand for the land and its resources. He will also undertake negotiations with the applicant agency with the view of

adjusting the application to reduce the area to the minimum essential to meet the applicant's needs, to provide for the maximum concurrent utilization of the land for purposes other than the applicant's, to eliminate land needed for purposes more essential than the applicant's, and to reach agreement on the concurrent management of the land and its resources.

He will also prepare a report for consideration by the Secretary of the Interior who will determine whether or not the land will be withdrawn as requested by the applicant agency.

The determination of the Secretary on the application will be published in the FEDERAL REGISTER. A separate notice will be sent to each interested party of record.

If circumstances warrant it, a public hearing will be held at a convenient time and place which will be announced.

The land involved in the application is:

WILLAMETTE MERIDIAN

- T. 11 N., R. 46 E.,
Sec. 19, unsurveyed Dry Gulch Island lying opposite lots 2 and 3.

Containing 7.23 acres.

IRVING W. ANDERSON,
Chief, Division of Lands and Minerals, Program Management and Land Office.

[F.R. Doc. 68-8738; Filed, July 22, 1968;
8:47 a.m.]

DEPARTMENT OF AGRICULTURE

Packers and Stockyards Administration

[P. & S. Docket No. 383]

MARKET AGENCIES AT ST. LOUIS NATIONAL STOCKYARDS

Notice of Petition To Vacate Order and Dismiss Proceeding

Pursuant to the provisions of the Packers and Stockyards Act, 1921, as amended (7 U.S.C. 181 et seq.), a basic order was issued in the case of L. W. Conover, George Conover, and Dan O'Brien, a partnership, doing business as Alexander Conover & Co., and other market agencies operating at the St. Louis National Stockyards, respondents (P. & S. Docket No. 383), on February 28, 1933, prescribing the rates and charges to be assessed by the respondents for the stockyard services rendered by them at the St. Louis National Stockyards, National Stock Yards, Ill. Such rates and charges have been modified from time to time by subsequent orders issued in the proceeding. The latest such order was issued on May 28, 1968, prescribing the rates and charges to be assessed by respondents to and including May 31, 1969, unless modified or extended by further order before the latter date.

On April 15, 1968, the respondents filed a petition requesting that the rate order in this proceeding be vacated and the proceeding dismissed in conformity with

§ 203.11 (9 CFR 203.11) of the statements of general policy under the Packers and Stockyards Act. The petition reads as follows:

This is a rate proceeding under the Packers and Stockyards Act, 1921, as amended (7 U.S.C. 181 et seq.). The respondents are now operating under order issued May 11, 1966 (25 A.D. 617). The current schedule of rates and charges became effective May 17, 1966, and is to remain in effect, unless modified or extended by further order, to and including May 31, 1968.

The basic rate order in this proceeding was issued February 28, 1933. During the period since the basic rate order has been in effect, respondents have followed the procedure, prior to filing of a petition for modification of the basic order, of seeking an advance indication of the attitude of the Packers and Stockyards Administration toward the changes to be proposed. Information in support of such proposals has been submitted and a tentative agreement is reached before a formal petition for modification has been filed.

The respondents do not believe economic conditions in the industry, marketing structure in the trade territory, or any other circumstances necessitate the continuation of the formal procedure for obtaining modifications in the rates and charges assessed by respondents.

It is requested therefore that in conformity with the policy expressed in § 203.11 of the statements of general policy under the Packers and Stockyards Act (9 CFR 203.11) that the rate order in this proceeding be vacated and the proceeding be dismissed.

Any interested person may file with the Hearing Clerk, U.S. Department of Agriculture, Washington, D.C. 20250, within 15 days after the publication of this notice in the FEDERAL REGISTER, written data, views, comments, or arguments with respect to the petition filed by respondents.

All written submissions made pursuant to this notice will be made available for public inspection at such times and places and in a manner convenient to the public business (7 CFR 1.27(b)).

Done at Washington, D.C., this 16th day of July 1968.

DONALD A. CAMPBELL,
Administrator, Packers and
Stockyards Administration.

[F.R. Doc. 68-8731; Filed, July 22, 1968;
8:47 a.m.]

ATOMIC ENERGY COMMISSION

[Docket No. 115-5]

LA CROSSE BOILING WATER REACTOR

Notice of Proposed Issuance of Provisional Operating Authorization to Dairyland Power Cooperative

The Atomic Energy Commission ("the Commission") is considering the issuance of a Provisional Operating Authorization to Dairyland Power Cooperative. The of a Provisional Operating Authorization set forth below, would authorize Dairyland Power Cooperative to use and operate the La Crosse Boiling Water Re-

actor (LACBWR) at power levels up to 165 megawatts (thermal). The LACBWR is located in Vernon County, Wis., approximately 1 mile south of Genoa and 19 miles south of the city of La Crosse.

The LACBWR was constructed by Allis-Chalmers Manufacturing Co. for the Commission pursuant to Construction Authorization No. CAPR-5 and has been operating since July 1967 pursuant to Provisional Operating Authorization No. DPRA-5 issued to Allis-Chalmers Manufacturing Co. by the Commission. The latter authorization would be superseded by the proposed provisional operating authorization to be issued to Dairyland Power Cooperative. Dairyland Power Cooperative requested the authorization in its application dated October 4, 1967, and amendments thereto dated November 22, 1967, February 21, 1968, and April 16, 1968.

Prior to issuance of the proposed provisional operating authorization to Dairyland Power Cooperative, Allis-Chalmers will have filed a report on satisfactory completion of the 28-day power run with the Director of the Division of Reactor Licensing.

Within thirty (30) days from the date of publication of this notice in the FEDERAL REGISTER, the applicant may file a request for a hearing and any person whose interest may be affected by the issuance of this provisional operating authorization may file a petition for leave to intervene. Requests for a hearing and petitions to intervene shall be filed in accordance with the provisions of the Commission's rules of practice, 10 CFR Part 2. If a request for a hearing or a petition for leave to intervene is filed within the time prescribed in this notice, a notice of hearing or an appropriate order will be issued. If no request for a hearing or petition for leave to intervene is filed within the time prescribed in this notice, and, upon the Commission's making the findings set forth in the proposed provisional operating authorization, the Commission will thereafter issue the provisional operating authorization to Dairyland Power Cooperative.

For further details with respect to this proposed issuance, see (1) the application dated October 4, 1967, and amendments thereto dated November 22, 1967, February 21, 1968, and April 16, 1968, filed by Dairyland Power Cooperative, (2) the report of the Advisory Committee on Reactor Safeguards (ACRS) dated January 17, 1968, (3) the related Safety Evaluation by the Division of Reactor Licensing, and (4) the Technical Specifications, designated as Appendix A to the provisional operating authorization, all of which are available for public inspection at the Commission's Public Document Room, 1717 H Street NW., Washington, D.C. Copies of items (2) and (3) above may be obtained at the Commission's Public Document Room, or upon request addressed to the Atomic Energy Commission, Washington, D.C. 20545, Attention: Director, Division of Reactor Licensing.

Dated at Bethesda, Md., this 12th day of July 1968.

For the Atomic Energy Commission.

ROGER S. BOYD,
Acting Director,
Division of Reactor Licensing.

PROPOSED PROVISIONAL OPERATING AUTHORIZATION No. DPRA-6

The Atomic Energy Commission having found that:

a. The application dated October 4, 1967, and amendments thereto dated November 22, 1967, February 21, 1968, and April 16, 1968, for this provisional operating authorization comply with the requirements of the Atomic Energy Act of 1954, as amended (hereinafter "the Act"), and the Commission's regulations set forth in Title 10, Chapter I, CFR;

b. The facility has been constructed in conformity with Construction Authorization No. CAPR-5, the application, the provisions of the Act, and the rules and regulations of the Commission;

c. There is reasonable assurance (1) that the activities authorized by this provisional operating authorization can be conducted without endangering the health and safety of the public, and (2) that such activities will be conducted in compliance with the rules and regulations of the Commission;

d. There are involved features, characteristics, and components as to which it is desirable to obtain actual operating experience before the issuance of a full-term operating authorization;

e. Dairyland Power Cooperative is technically qualified to engage in the activities authorized by this provisional operating authorization in accordance with the rules and regulations of the Commission; and

f. The issuance of this provisional operating authorization will not be inimical to the common defense and security or to the health and safety of the public;

Provisional Operating Authorization No. DPRA-6 is hereby issued to read as follows:

1. This Provisional Operating Authorization No. DPRA-6 applies to the La Crosse Boiling Water Reactor (the reactor) owned by the U.S. Atomic Energy Commission (the Commission) and to be operated by Dairyland Power Cooperative under contract with the Commission. The reactor is located in Vernon County, Wis., at a site along the east bank of the Mississippi River, approximately 1 mile south of Genoa and 19 miles south of La Crosse, and is described in the Safeguards Report for Operating Authorization (hereinafter Safety Analysis Report) filed by Allis-Chalmers Manufacturing Co. on August 19, 1965, and amendments thereto and Dairyland Power Cooperative's application dated October 4, 1967, and amendments thereto dated November 22, 1967, February 21, 1968, and April 16, 1968, and constructed under Construction Authorization No. CAPR-5.

2. Subject to the conditions and requirements incorporated herein, the Commission hereby authorizes Dairyland Power Cooperative, pursuant to the Act and Title 10, Chapter I, CFR Part 115, "Procedures for Review of Certain Nuclear Reactors Exempted from Licensing Requirements," to use and operate the La Crosse Boiling Water Reactor.

3. This authorization shall be deemed to contain and is subject to the conditions specified in §§ 115.42 and 115.47 of Part 115 and is subject to all applicable provisions of the Act and rules, regulations, and orders of the Commission now or hereafter in effect; and is subject to the additional conditions specified below:

A. Dairyland Power Cooperative is authorized to operate the reactor at steady state power levels up to 165 megawatts (thermal).

B. Technical Specifications. The Technical Specifications contained in Appendix A¹ to this provisional operating authorization are hereby incorporated in the authorization. Dairyland Power Cooperative shall operate the reactor in accordance with the Technical Specifications. No changes shall be made in the Technical Specifications unless authorized by the Commission as provided in § 115.47 of Part 115.

C. Records. In addition to those otherwise required under this authorization and applicable regulations, Dairyland Power Cooperative shall keep the following records:

(1) Reactor operating records, including power levels and periods of operation at each power level.

(2) Records showing the radioactivity released or discharged into the air or water beyond the effective control of Dairyland Power Cooperative as measured at or prior to the point of such release or discharge.

(3) Records of radioactivity levels at both on-site monitoring stations and off-site sampling stations.

(4) Records of emergency shutdowns and inadvertent scrams including reasons therefor.

(5) Records of principal maintenance operations involving substitution or replacement of reactor equipment or components and the reasons therefor.

(6) Records of facility tests and measurements performed pursuant to the requirements of the Technical Specifications.

D. Reports. In addition to reports otherwise required under this authorization and applicable regulations of the Commission:

(1) Dairyland Power Cooperative shall inform the Commission of any incident or condition relating to the operation of the reactor which prevented or could have prevented a nuclear system from performing its safety functions as described in the Technical Specifications or in the Safety Analysis Report. For each such occurrence, Dairyland Power Cooperative shall promptly notify, by telephone or telegraph, the Director of the appropriate Atomic Energy Commission Regional Compliance Office listed in Appendix D of 10 CFR 20, and shall submit within ten (10) days a report in writing to the Director, Division of Reactor Licensing (hereinafter Director, DRL), with a copy to the Regional Compliance Office.

(2) Dairyland Power Cooperative shall report to the Director, DRL, in writing within thirty (30) days of its observed occurrence any substantial variance disclosed by operation of the reactor from performance specifications contained in the Technical Specifications.

(3) Dairyland Power Cooperative shall report to the Director, DRL, in writing within thirty (30) days of its occurrence any significant changes in transient or accident analysis as described in the Safety Analysis Report.

(4) Dairyland shall make a report in writing to the Director, DRL, within sixty (60) days after completion of 1 month of operation of the reactor (calculated from the date of issuance of this authorization), and at the end of each monthly period thereafter, which summarizes the following:

(a) Total number of hours of operation and total energy generated by the reactor.

(b) Number of shutdowns of the reactor with a brief explanation of the cause of each shutdown.

(c) Operating experience including a summary of the number of malfunctions in the control and safety systems with brief explanation of each.

¹ This item was not filed with the Office of the Federal Register but is available for inspection in the Public Document Room of the Atomic Energy Commission.

(d) Measurements and tests performed on the nuclear systems and results thereof.

(e) Principal maintenance performed and replacements made in the reactor and associated systems including a report on various tests performed on components of the reactor and associated systems.

(f) A description of the tests performed to demonstrate that the leak rates meet the Technical Specifications, the results of such tests, and a description of any necessary corrective measures taken to meet the requirements of the Technical Specifications.

(g) Changes made in the facility design and operating procedures pursuant to § 115.47 of Part 115.

(h) Significant changes in plant organization and transient or accident analyses as described in the Safety Analysis Report, and in previously submitted amendments incorporated therein.

(i) The kind and quantity of radioactive material released to the environment as recorded at both on-site monitoring stations and off-site sampling stations.

4. This authorization shall be effective upon written notification to Dairyland Power Cooperative from the Director, Division of Reactor Licensing, and shall expire eighteen (18) months from that date, unless extended for good cause shown, or upon the earlier issuance of a superseding operating authorization: *Provided, however*, That this authorization shall expire in any event upon termination of the contract between Dairyland Power Cooperative and the Commission for operation of the reactor.

5. This provisional operating authorization terminates and supersedes Provisional Operating Authorization No. DPRA-5 issued to Allis-Chalmers Manufacturing Co.

For the Atomic Energy Commission.

PETER A. MORRIS,
Director,
Division of Reactor Licensing.

[F.R. Doc. 68-8729; Filed, July 22, 1968;
8:47 a.m.]

[Docket No. 50-151]

BOARD OF TRUSTEES OF UNIVERSITY OF ILLINOIS

Notice of Issuance of Order Authorizing Dismantling of Facility and Proposed Issuance of Construction Permit

The Atomic Energy Commission has issued an order, as set forth below, authorizing The University of Illinois to dismantle and dispose of the component parts of the University's TRIGA Mark II type nuclear reactor (AEC Facility License No. R-69) located on the University's campus in Urbana, Ill. The dismantled reactor will be transferred to Michigan State University (MSU) and transported to the MSU's campus in East Lansing, Mich., pursuant to Construction Permit No. CPRR-103 (Docket No. 50-294).

Also, the Atomic Energy Commission is considering the issuance to The University of Illinois of a construction permit, substantially as set forth below, which would authorize the installation of an Advanced TRIGA-type nuclear reactor as a replacement for the present TRIGA Mark II type reactor in the existing location on the University's campus in Urbana, Ill. The proposed reactor

would operate at a power level of 1.5 megawatts (thermal).

Within fifteen (15) days from the date of publication of this notice in the FEDERAL REGISTER, the applicant may file a request for a hearing, and any person whose interest may be affected by the issuance of this construction permit to The University of Illinois may file a petition for leave to intervene. A request for a hearing and petitions to intervene shall be filed in accordance with the provisions of the Commission's rules of practice, 10 CFR Part 2. If a request for a hearing or a petition for leave to intervene is filed within the time prescribed in this notice, a notice of hearing or an appropriate order will be issued.

For further details with respect to the order authorizing dismantling and the proposed issuance of the construction permit see (1) the application dated August 28, 1967, and amendments thereto, and (2) the related Safety Evaluation prepared by the Division of Reactor Licensing, all of which are available for public inspection at the Commission's Public Document Room, 1717 H Street NW., Washington, D.C. Copies of item (2) above may be obtained at the Commission's Document Room, or upon request addressed to the Atomic Energy Commission, Washington, D.C. 20545, Attention: Director, Division of Reactor Licensing.

Dated at Bethesda, Md., this 18th day of July 1968.

For the Atomic Energy Commission.

ROGER BOYD,
Acting Director,
Division of Reactor Licensing.

ORDER AUTHORIZING DISMANTLING OF FACILITY

The University of Illinois, by application dated August 28, 1967, and amendment dated October 26, 1967, requested authority to dismantle the University's TRIGA Mark II type nuclear reactor (AEC Facility License No. R-69) located on the University's campus in Urbana, Ill. The reactor will be dismantled according to the procedures set forth in the application and amendment.

Under the terms of an appropriate construction permit, Michigan State University will receive the component parts and fuel of the disassembled reactor, and transport them to its East Lansing, Mich., campus.

Pursuant to the provisions of 10 CFR Part 50, the Commission has reviewed the application, as amended, and has found that the procedures proposed therein for dismantling of the reactor and disposal of the component parts and fuel will be performed in accordance with the regulations in Title 10, Chapter I, Code of Federal Regulations, and will not be inimical to the common defense and security or to the health and safety of the public.

Accordingly, it is hereby ordered that The University of Illinois may proceed, in accordance with its application, as amended, to dismantle the TRIGA-type nuclear reactor and transfer the component parts and fuel of the disassembled reactor to Michigan State University, and the latter will transport these parts and fuel to its campus in East Lansing, Mich., pursuant to the provisions of Construction Permit No. CPRR-103.

Upon completion of the dismantling and upon receipt and transport of the reactor component parts and fuel by Michigan State University to its campus in East Lansing,

Mich., and filing of a report by the Commission's inspectors verifying that the dismantling and transfer have been satisfactorily completed, consideration will be given to whether a further order should be issued terminating AEC Facility License No. R-69.

Date of issuance: July 18, 1968.

For the Atomic Energy Commission,

ROGER BOYD,
Acting Director,
Division of Reactor Licensing.

PROPOSED CONSTRUCTION PERMIT

1. By application dated August 28, 1967, and amendments thereto dated October 26, 1967, March 29, and May 17, 1968 (hereinafter "the application") The University of Illinois requested authority to install an Advanced TRIGA-type nuclear reactor as a replacement for the existing TRIGA reactor located on the University's campus at Urbana, Ill., and previously operated under Facility License No. R-69, as amended.

2. The Atomic Energy Commission ("the Commission") has found that:

A. The application complies with the requirements of the Atomic Energy Act of 1954, as amended ("the Act"), and the Commission's regulations set forth in Title 10, Chapter I, CFR;

B. The reactor will be a utilization facility as defined in the Commission's regulations contained in Title 10, Chapter I, CFR, Part 50, "Licensing of Production and Utilization Facilities";

C. The reactor will be used in the conduct of research and development activities of the types specified in section 31 of the Act;

D. The University of Illinois is financially qualified to construct the reactor in accordance with the regulations contained in Title 10, Chapter I, CFR;

E. The University of Illinois is technically qualified to design and construct the reactor;

F. The University of Illinois has submitted sufficient technical information concerning the proposed facility to provide reasonable assurance that the proposed facility can be constructed and operated at the proposed location without endangering the health and safety of the public;

G. The issuance of a construction permit to The University of Illinois will not be inimical to the common defense and security or to the health and safety of the public.

3. Pursuant to the Act and Title 10, CFR, Part 50, "Licensing of Production and Utilization Facilities", the Commission hereby issues a construction permit to The University of Illinois to construct the reactor in accordance with the application. This permit shall be deemed to contain and be subject to the conditions specified in §§ 50.54 and 50.55 of said regulations; is subject to all applicable provisions of the Act and rules, regulations, and orders of the Commission now or hereafter in effect, and is subject to the additional conditions specified below:

A. The earliest completion date of the facility is September 1, 1968. The latest completion date of the facility is March 1, 1969. The term "completion date," as used herein, means the date on which construction of the facility is completed except for the introduction of the fuel material.

B. The reactor shall be constructed in the reactor facility located on the campus at Urbana, Ill.

C. The applicant is authorized in the construction of the reactor to insert into the reactor for alignment and testing purposes three fuel-follower control rods and three instrumented fuel elements (subject to the issuance of an appropriate Part 70 license for the possession of the fuel).

4. Upon completion of the construction of the reactor in accordance with the terms and conditions of this permit, upon finding by the Commission that the facility authorized has been constructed and will operate in conformity with the application and the provisions of the Act and of the rules and regulations of the Commission, and in the absence of any good cause being shown to the Commission why the granting of a license would not be in accordance with the provisions of the Act, the Commission will issue a Class 104 license to The University of Illinois pursuant to section 104c of the Act, which license shall expire at midnight,

Dated: -----

For the Atomic Energy Commission.

[F.R. Doc. 68-8787; Filed, July 22, 1968; 8:50 a.m.]

CIVIL AERONAUTICS BOARD

[Docket No. 19879; Order 68-7-91]

AIRBORNE FREIGHT CORP. ET AL.

Order Regarding Merger and Interlocking Relationships

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 18th day of July 1968.

Application of Airborne Freight Corp., a California corporation, Pacific Air Freight, Inc., and Airborne Freight Corp., a Delaware corporation, for approval without hearing of a merger under section 408 and interlocking relationships under section 409 of the Federal Aviation Act of 1958, as amended.

By joint application filed May 13, 1968,¹ Airborne Freight Corp., a Delaware corporation (Airborne, Del.), and an applicant for domestic and international air freight forwarding authority, Airborne Freight Corp. (Airborne, Cal.), a California domestic and international air freight forwarder, and Pacific Air Freight, Inc. (Pacific), a Washington domestic and international air freight forwarder, requested that the Board approve (1) without hearing pursuant to section 408 of the Federal Aviation Act of 1958, as amended (the Act), an agreement and plan of merger between the latter two companies into the newly organized corporation, Airborne, Del.; and (2) the interlocking relationships that will be created by reason of Mr. J. D. McPherson becoming chairman of the board and Mr. D. K. Sherman becoming vice president of Airborne, Del., while each holds the position of director in Airborne Meadows Australia Pty. Ltd. (AMA), an Australian air freight forwarder.²

¹ The application was amended on May 29, 1968, and supplemented by letter of June 17, 1968.

² Mr. Richard B. Dawkins, who is presently a director of Pacific, and would become a director of Airborne, Del., upon consummation of the proposed merger, holds a partnership interest in the underwriting and brokerage firm of Faulkner, Dawkins & Sullivan. Another partner in the firm, Mr. Wilbur L. Ross, serves as a director of Northern Consolidated Airlines, Inc. (Consolidated). Counsel for the applicants stated that Mr. Ross would not serve as a director of Consolidated

Airborne, Cal. has four wholly owned subsidiaries: Daly Travel Services, Inc., and American Orient Travel Corp., air travel agencies; Pardo y Cia, an IATA cargo sales agent; and Awaywego Delivery, Inc., a motor carrier performing pickup and delivery service in the State of New York.³ The company also owns a one-third interest (33 1/3 percent of the outstanding stock) in AMA. Mr. McPherson is president, director, and principal stockholder (44.2 percent of the shares) of Airborne, Cal. and is a director in AMA; Mr. Sherman is vice president of Airborne, Cal. and is also a director of AMA; and Mr. Jack Y. H. Leong is another vice president of Airborne, Cal. (since March 1968) and is also the managing director and sole stockholder of Capital Air Freight (H.K.) limited (Capital H.K.), an IATA cargo agent.⁴

AMA, in which Messrs. McPherson and Sherman are directors, and in which, upon consummation of the merger for which Board approval is sought, Airborne, Del. will own a one-third stock interest, is an Australian corporation organized pursuant to an agreement dated October 15, 1962, among three companies: Airborne, Cal., Australian Forwarding Agency Holdings Pty. Ltd., and Thomas Meadows & Co., Ltd. The purpose of the corporation was for the mutual cooperation among the three constituent companies in the development of air freight to and from Australia. The agreement, pursuant to which AMA was organized, provides, inter alia, for termination of air freight forwarding arrangements by any one constituent company upon giving 6 months written notice to the other two companies, and, upon such termination, for the winding up of AMA. Pursuant to their agreement each of the constituent companies subscribed to an equal amount of the total shares of AMA, made capital contributions for the stock in equal amounts, and appointed two of AMA's six directors. Also, as of December 31, 1967, AMA was indebted to Airborne, Cal. on an unsecured note in the amount of \$15,721.⁵

Pursuant to, and as part of the merger, Airborne, Del. will acquire and subsequently cancel all of the issued and outstanding stock of Airborne, Cal. and

unless and until the Board, upon an application to be filed with the Board under section 409, approves the interlocking relationships (1) between Consolidated and Pacific, and (2) upon Board approval of the merger herein, between Consolidated and Airborne, Del.

³ The Board has previously granted exemptions or approvals of these acquisitions and approved the interlocking relationships respectively involved. See Order E-13701, Apr. 3, 1959, and footnote 1; and Order E-24703, Jan. 31, 1967. Also by Order E-25887, Oct. 26, 1967, the Board approved the merger (presently un consummated) of 4A Air Freight Corp. (4A Corp.) into Airborne, Cal.

⁴ While serving earlier terms as vice president and director of Airborne, Cal. beginning on Oct. 12, 1962, Mr. Leong was also a director of AMA until the latter service was terminated in September 1964.

⁵ CAB Form 244, 1967.

Pacific in exchange for shares of its own common stock as follows: 50 percent of the new stock to the stockholders of Airborne, Cal. stock, on the basis of 1,328 shares of Airborne, Del. common stock for each outstanding share of Airborne, Cal. stock; and 50 percent of the new stock to the stockholders of Pacific in a share for share exchange of Pacific stock. Outstanding options and warrants of each of the merging companies will be converted into options to acquire stock of Airborne, Del. on the same basis of exchange as the common stock of the respective merging companies. All of the assets, subject to the liabilities, of both merging companies will become vested in Airborne, Del., and the corporate existence of Airborne, Cal. and Pacific will cease.

The application states that the merger of the two air freight forwarders into one business entity will be a boon to the shipping public and a benefit to the constituent corporations, their stockholders and employees, and, by creating a stronger, more viable company, will be beneficial to direct air carriers. The applicants also state that Airborne, Cal. and Pacific are approximately the same size in volume of business and in number of personnel; they conduct overlapping operations in 30 stations;⁶ and consolidating the business of the two companies can be easily effected and permit combined operations, with the continued employment of most of the present employees of the two companies, at a vastly improved profit level. The applicants further state that the customers of both companies will receive improved service through the combination of facilities, personnel, and accounting systems; no increase in air freight costs to the customers are expected; consolidation of the two operations will give the customers of both companies a network of 48 company-owned and company-operated stations; and Pacific's customers will be offered greater service internationally by reason of having available the service of Airborne's 15 overseas offices. The applicants also state that they anticipate the generation of additional air freight at cities served in common by the merging companies resulting in increased revenues and reduced overhead.

Upon consideration of the application relating to the proposed merger, the Board has concluded that Airborne, Cal., Pacific, and Airborne, Del. are carriers within the meaning of section 408 of the Act, and that the merger agreement is subject to that section.

Over the past 2 years, 1966 and 1967, Airborne and Pacific, respectively, have been the second and third largest air freight forwarders in terms of revenues earned from air freight forwarding operations.

Historically, the top 10 forwarders have obtained a major share of the total revenues earned by the forwarder industry. For example, in 1961, approximately

79 percent of the total industry revenues, and in 1967, approximately 77 percent of such revenues were earned by the 10 leading forwarders.

As of December 31, 1961, there were 86 air freight forwarders whose combined revenues from air freight forwarding operations totaled \$66,229,300. The 10 largest operators, in terms of revenues and percentage of total forwarder revenues, each earned in 1961, is shown below:⁷

Air freight forwarder	Revenues	Percentage of industry total revenues
Emery Air Freight Corp.	\$20,430,394	30.85
Airborne Freight Corp.	8,458,539	12.77
Air Express International Corp.	4,071,854	6.15
Air Dispatch, Inc.	3,629,503	5.48
Wings & Wheels Express, Inc.	3,402,377	5.14
WTC Air Freight	3,306,838	4.99
United Parcel Service Co.	2,800,699	4.23
ABC Air Freight Co., Inc.	2,451,472	3.70
Shulman, Inc.	2,388,478	3.61
World Wide Services, Inc.	1,320,435	1.99
Total	52,260,589	78.91

As of December 31, 1967, there were 146 air freight forwarders whose combined revenues from air freight forwarding operations totaled \$243,538,595. The top 10 forwarders, in terms of revenues and percentage of total forwarder revenues each earned in 1967 is shown below:⁸

Air freight forwarder	Revenues	Percentage of industry total revenues
Emery Air Freight Corp.	\$67,430,431	27.7
Airborne Freight Corp. ¹	22,740,358	9.3
Pacific Air Freight, Inc.	21,796,129	8.9
Wings & Wheels Express, Inc. ²	21,749,262	8.9
WTC Air Freight	14,290,369	5.9
United Parcel Service Co.	9,630,864	4.0
Shulman, Inc.	8,716,280	3.6
Jet Air Freight	8,427,681	3.5
Add Airfreight Corp.	7,115,195	2.9
Air Dispatch, Inc.	5,176,258	2.1
Total	187,072,827	76.8

¹ Airborne, Cal.'s revenues include 4A Corp. revenues of \$2,474,108 for about a 10-month period ended Nov. 4, 1967.

² In the latter part of 1967, a wholly owned subsidiary of Wings & Wheels, acquired all of the assets, subject to the liabilities, of AEL.

Historically, the Board has followed a policy of relatively free entry into the air freight forwarding field. For example, between December 31, 1961, and December 31, 1967, the number of forwarders increased by approximately 70 percent. Air freight forwarders compete among themselves as well as with the direct air carriers and, to some extent, with the Railway Express Agency.

Applicants request that the Board approve the merger without a hearing under the provisions of section 408(b) third proviso. However, to act under that proviso, the Board is required to make certain statutory findings including findings that the merger does not result in creating a monopoly, does not tend to restrain competition, and is not adverse

to the public interest. On the basis of the existing record, the Board is not prepared to make these findings even tentatively without first having the benefit of the views of any person having a substantial interest in the matter, including the Department of Justice.

Accordingly, it is ordered:

1. That the Attorney General be furnished a copy of this order within 1 day of publication; and

2. That interested persons are afforded a period of twenty (20) days within which to file comments or request a hearing with respect to the application in Docket 19879.⁹

This order will be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.

[SEAL] HAROLD R. SANDERSON,
Secretary.

[F.R. Doc. 68-8754; Filed, July 22, 1968;
8:49 a.m.]

ALLEGHENY AIRLINES, INC.

Notice of Application for Amendment of Certificate of Public Convenience and Necessity

JULY 18, 1968.

Notice is hereby given that the Civil Aeronautics Board on July 17, 1968, received an application, Docket 20040, from Allegheny Airlines, Inc., for amendment of its certificate of public convenience and necessity for route 97 to authorize it to engage in nonstop service between Pittsburgh and Chicago. The applicant requests that its application be processed under the expedited procedures set forth in Subpart M of Part 302 (14 CFR Part 302).

[SEAL] HAROLD R. SANDERSON,
Secretary.

[F.R. Doc. 68-8755; Filed, July 22, 1968;
8:49 a.m.]

[Docket No. 19965; Order 68-7-94]

ALLEGHENY AIRLINES, INC.

Order of Investigation and Suspension Regarding Proposed Family Fare Revisions

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 18th day of July 1968.

By tariff revisions¹ marked to become effective July 21, 1968, Allegheny Airlines, Inc. (Allegheny), proposes to amend its family fare provisions to provide that the parents of the head of the family

⁹ Such comments shall in all respects conform to the requirements of the Board's rules of practice for the filing of documents. Further, since an opportunity to file comments is provided for, petitions for reconsideration of this order will not be entertained.

¹ Revisions to Airline Tariff Publishers, Inc., Agent, Tariff CAB No. 43, filed with a posting date of June 10, 1968.

⁶ Airborne, Cal. and Pacific each have several other stations where the operations of the two companies do not overlap (CAB Form 244, 1967).

⁷ CAB Forms 244, 1961.

⁸ CAB Forms 244, 1967.

and/or of the spouse will qualify as applicable family members, and will receive a 25 percent discount when traveling as part of the family. The proposal is marked to expire with July 31, 1969.

Braniff Airways, Inc. (Braniff), has filed a complaint requesting suspension and investigation of the proposal, claiming that it would create unjust discrimination; that serious enforcement problems would accompany the proposal; and that apart from abuses, use of the proposal even by persons adhering to its provisions would have a serious adverse impact on revenues. Braniff also claims that the proposed revision is aimed at an insignificant social need; that the present family fares have historical precedents not at all applicable to Allegheny's proposed revision; and that certain segments of the public that qualify for the proposed discount would receive unwarranted economic advantages.

In support of its proposal and in answer to Braniff's complaint, Allegheny alleges that the widening of the family fare to include the parents of the head of household and/or the spouse is not only a logical extension in the applicability of this fare, but also a means for promoting and encouraging air travel by family groups. Allegheny further alleges that its proposal should make air travel more attractive to large families by making it economically competitive with other types of travel, particularly the private automobile; and that this type of experimental fare is consistent with the Board's policy of permitting subsidized air carriers to experiment with new fares. Allegheny further contends that Braniff has not advanced any valid facts or arguments showing that its proposal is unjustly discriminatory; that the contention that its proposed revision would create insurmountable enforcement problems is without merit; and that Braniff did not support its allegation that the proposal is uneconomic.

Upon consideration of all relevant matters, the Board finds that the proposed tariff revisions may be unjust and unreasonable, unjustly discriminatory, unduly preferential, unduly prejudicial, and otherwise unlawful, and should be investigated. In view of the serious questions of discrimination involved, the Board will suspend the proposed tariff revisions and defer their use pending investigation.

The instant proposal presents a substantial question of unjust discrimination. It does not appear, as Allegheny asserts, that the proposal is a logical extension of the present family fares. Historically, family fare discounts have been made available only to members of the immediate family, viz., head of family, spouse, and children. Offering family discounts to other family members breaks with the historical pattern justifying reduced fares for the family group. The restriction as to the status of the individuals who may obtain the transportation (parents of the head of the family and his spouse) renders the

proposed tariff provisions inherently discriminatory.

Accordingly, pursuant to the Federal Aviation Act of 1958, and particularly sections 204(a), 403, 404, and 1002 thereof:

It is ordered, That:

1. An investigation be instituted to determine whether the fares and provisions described in Appendix A, attached hereto,² and rules, regulations, and practices affecting such fares and provisions, are or will be unjust or unreasonable, unjustly discriminatory, unduly preferential, unduly prejudicial, or otherwise unlawful, and if found to be unlawful, to determine and prescribe the lawful fares and provisions, and rules, regulations, or practices affecting such fares and provisions;

2. Pending hearing and decision by the Board, the fares and provisions described in Appendix A hereto² are suspended and their use deferred to and including October 18, 1968, unless otherwise ordered by the Board, and that no changes be made therein during the period of suspension except by order or special permission of the Board;

3. The proceeding ordered herein be assigned for hearing before an Examiner of the Board at a time and place hereafter to be designated;

4. Except to the extent granted herein, the complaint of Braniff Airways, Inc., in Docket 19965 be dismissed; and

5. Copies of this order be filed with the aforesaid tariff and be served upon Allegheny Airlines, Inc., and Braniff Airways, Inc., which are hereby made parties to this proceeding.

This order will be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.

[SEAL] HAROLD R. SANDERSON,
Secretary.

[F.R. Doc. 68-8756; Filed, July 22, 1968;
8:49 a.m.]

MOHAWK AIRLINES, INC.

Notice of Application for Amendment of Certificate of Public Convenience and Necessity

JULY 18, 1968.

Notice is hereby given that the Civil Aeronautics Board on July 18, 1968, received an application, Docket 20041, from Mohawk Airlines, Inc., for amendment of its certificate of public convenience and necessity for route 94 to authorize it to engage in nonstop service between Albany and Buffalo, N.Y. The applicant requests that its application be processed under the expedited procedures set forth in Subpart M of Part 302 (14 CFR Part 302).

[SEAL] HAROLD R. SANDERSON,
Secretary.

[F.R. Doc. 68-8757; Filed, July 22, 1968;
8:49 a.m.]

²Filed as part of the original document.

FEDERAL COMMUNICATIONS COMMISSION

[Docket No. 18020 etc.; FCC 68M-1058]

ALMARDON, INCORPORATED OF FLORIDA, ET AL.

Order Regarding Procedural Dates

In re applications of Almarion, Incorporated of Florida, Pompano Beach, Fla., Docket No. 18020, File No. BPH-5928; Sunrise Broadcasting Corp., Pompano Beach, Fla., Docket No. 18021, File No. BPH-5931; Deerfield Radio, Inc., Deerfield Beach, Fla., Docket No. 18187, File No. BPH-6178; for construction permits.

The Hearing Examiner having under consideration a telephone request from counsel for Deerfield Radio, Inc. (speaking for all parties), that all procedural dates be extended for 30 days, and

It appearing that the issues may be resolved within the time requested:

It is ordered, That the request is granted and the following dates shall now obtain in lieu of the dates established by the Hearing Examiner's order released June 14, 1968:

(1) Direct written cases shall be exchanged August 19, 1968;

(2) Notification of witnesses: August 26, 1968; and

(3) The hearing to commence at 10 a.m., September 3, 1968, in the Commission's offices in Washington, D.C.

Issued: July 12, 1968.

Released: July 16, 1968.

FEDERAL COMMUNICATIONS COMMISSION,

[SEAL] BEN F. WAPLE,
Secretary.

[F.R. Doc. 68-8739; Filed, July 22, 1968;
8:47 a.m.]

[Docket No. 18240; FCC 68M-1063]

BLUE RIDGE BROADCASTERS

Order Scheduling Hearing

In the matter of revocation of the license of Allan R. Jones and Kenneth F. Warren, doing business as Blue Ridge Broadcasters for FM Broadcast Station KDFR, Tulare, Calif.; Docket No. 18240:

It is ordered, That Charles J. Frederick shall serve as Presiding Officer in the above-entitled proceeding; that the hearings therein shall be convened on October 22, 1968, at 10 a.m., in Tulare, Calif.; and that a prehearing conference shall be held on August 30, 1968, commencing at 9 a.m., in the offices of the Commission, Washington, D.C.

Issued: July 15, 1968.

Released: July 16, 1968.

FEDERAL COMMUNICATIONS COMMISSION,

[SEAL] JAMES D. CUNNINGHAM,
Chief Hearing Examiner.

[F.R. Doc. 68-8740; Filed, July 22, 1968;
8:47 a.m.]

[Docket No. 18124; FCC 68M-1065]

CLARKSTON BROADCASTERS**Order Regarding Procedural Dates**

In re application of John R. Lewis and W. E. Lawrence, doing business as Clarkston Broadcasters, Clarkston, Wash., Docket No. 18124, File No. BP-16949; for construction permit.

To formalize the ruling made on the record at a prehearing conference held July 11, 1968: *It is ordered*, That the following dates shall govern future proceedings in this case:

Final exchange of exhibits is scheduled for July 24, 1968;

Notification of witnesses is scheduled for August 5, 1968; and

Hearing presently continued without date is hereby scheduled for August 14, 1968.

Issued: July 15, 1968.

Released: July 17, 1968.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] BEN F. WAPLE,
Secretary.

[F.R. Doc. 68-8741; Filed, July 22, 1968;
8:47 a.m.]

[Docket No. 17929; FCC 68M-1062]

EASTERN AIR LINES, INC., AND AMERICAN TELEPHONE AND TELEGRAPH CO.**Order Scheduling Hearing**

In the matter of Eastern Air Lines, Inc., New York, N.Y., complainant, v. American Telephone and Telegraph Co., New York, N.Y., defendant; Docket No. 17929:

It is ordered, That Herbert Sharfman shall serve as Presiding Officer in the above-entitled proceeding; that the hearings therein shall be convened on August 27, 1968, at 10 a.m.; and that a prehearing conference shall be held on August 7, 1968, commencing at 9 a.m.: *And, it is further ordered*, That all proceedings shall take place in the offices of the Commission, Washington, D.C.

Issued: July 15, 1968.

Released: July 16, 1968.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] JAMES D. CUNNINGHAM,
Chief Hearing Examiner.

[F.R. Doc. 68-8742; Filed, July 22, 1968;
8:48 a.m.]

[Docket Nos. 17681, 17682; FCC 68R-301]

LIBERTY TELEVISION AND MEDFORD PRINTING CO.**Memorandum Opinion and Order Enlarging Issues**

In re applications of Liberty Television, a joint venture comprised of Liberty Television, Inc., and Siskiyou Broadcasters, Inc., Medford, Oreg., Docket No. 17681, File No. BPCT-3858; Medford

Printing Co., Medford, Oreg., Docket No. 17682, File No. BPCT-3859; for construction permits.

1. This proceeding involves the application of Liberty Television, a joint venture comprised of Liberty Television, Inc., and Siskiyou Broadcasters, Inc. (Liberty), and Medford Printing Co. (Medford), both seeking an authorization for a new television broadcast station to operate on Channel 8 at Medford, Oreg. By Order, FCC 67-988, released September 6, 1967, the mutually exclusive applications were designated for hearing.¹ The Review Board, on January 12, 1968, adopted a memorandum opinion and order² adding issues inquiring into the basis of Medford's estimated preoperating costs and operating expenses for the first year of operation. On May 16, 1968, the Hearing Examiner ruled that all evidence pertaining to the availability of funds relied on by Medford would be excluded as not contemplated by the financial issues added by the Review Board. Now before the Review Board is an unopposed petition to enlarge issues, filed by the Broadcast Bureau on June 7, 1968, in which the Bureau urges that the Examiner's interpretation of the existing issues is erroneous, and requests the addition of an issue to determine whether Medford "will have available sufficient funds to construct and operate its proposed VHF television station."³

2. Although the Review Board agrees with the Examiner's interpretation of the added issues, it nevertheless believes that an issue to determine the amount of funds that Medford has available is required. At the time the Board added the issues inquiring into Medford's cost estimates, its application reflected that it would require \$614,500 in order to construct its proposed station and operate for 1 year and that it had \$625,000 in available funds, consisting of \$225,000 in existing capital, \$100,000 in profits from its existing radio and newspaper operations, and a bank loan of \$300,000. Subsequently, however, Medford amended its application to show an increased bank commitment from \$300,000 to \$400,000 and an increase in capital of at least \$127,000.⁴ In its hearing exhibits, Medford shows costs totaling \$823,206 and funds available in an amount of \$925,000, consisting of \$325,000 in existing capital, \$200,000 in profits from radio and newspaper operations, and a \$400,000 bank loan.⁵ Therefore, in order to show that

¹ On May 9, 1968, the Hearing Examiner dismissed the application of a third applicant, State of Oregon Acting By and Through the State Board of Higher Education (State), pursuant to the State's request. FCC 68M-742, released May 10, 1968.

² FCC 68R-14, released Jan. 17, 1968, 11 FCC 2d 374, 12 RR 2d 56, affirmed 11 FCC 2d 379, 12 RR 117 (1968).

³ No pleadings have been filed in response to the Bureau's request.

⁴ Medford's amendment was accepted by the Examiner on Apr. 1, 1968, FCC 68M-536.

⁵ These figures are reflected in Medford's financial exhibit (Exhibit 2) which was received on May 4, 1968. No amendment relating to these figures has been filed, however.

Medford is financially qualified, it must be found that the applicant has at least a portion of the additional funds alleged to be available. However, no such finding has yet been made; there is now no issue under which this finding could be made by the Examiner; and the Board is unable, on the basis of its examination of Medford's application and exhibits, to make this finding.⁶ Thus, if Medford is to be credited with the additional funds it is relying on, it must first establish the availability of these funds at an evidentiary hearing. Accordingly, an appropriate issue, under which this showing can be made, will be added.

3. Accordingly, it is ordered, That the petition to enlarge issues, filed on June 7, 1968, by the Broadcast Bureau, is granted; and that the issues in this proceeding are enlarged by the addition of the following issue: To determine whether Medford Printing Co. will have available sufficient funds to construct and operate its proposed VHF television station.

4. It is further ordered, That the burden of proceeding with the introduction of evidence and the burden of proof under the issue added herein will be on Medford Printing Co.

Adopted: July 16, 1968.

Released: July 17, 1968.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] BEN F. WAPLE,
Secretary.

[F.R. Doc. 68-8743; Filed, July 22, 1968;
8:48 a.m.]

[Docket Nos. 18202, 18203; FCC 68M-1064]

RADIO KYNO, INC., AND INTERNATIONAL RADIO, INC.**Order Continuing Hearing**

In re applications of Radio KYNO, Inc., Fresno, Calif., Docket No. 18202, File No. BPH-6118; International Radio, Inc., Fresno, Calif., Docket No. 18203, File No. BPH-6202; For construction permits.

Pursuant to agreements of counsel arrived at during the prehearing conference in the above-styled proceeding held on July 16, 1968: *It is ordered*, That the evidentiary hearing in this proceeding scheduled to begin on July 31, 1968, is continued to Monday, October 7, 1968,

⁶ For example, the Board is unable to find that Medford can rely on the availability of \$200,000 in profits from radio and newspaper operations. In 1967, such profits were only \$145,049, down from \$182,069 in 1966. Nowhere in the exhibit (Medford Exhibit 2, page 2-A) does the applicant explain how the figure \$200,000 was arrived at. Moreover, a witness for Medford testified in effect at the hearing that the applicant is relying on prospective profits at the time the television station begins operation.

⁷ Review Board Members Slone and Pincock absent; Board Member Nelson abstaining.

at 10 a.m., in the offices of the Commission, Washington, D.C.

Issued: July 16, 1968.

Released: July 17, 1968.

**FEDERAL COMMUNICATIONS
COMMISSION,**

[SEAL] **BEN F. WAPLE,**
Secretary.

[F.R. Doc. 68-8744; Filed, July 22, 1968;
8:48 a.m.]

[Docket No. 18221; FCC 68M-1066]

WFRV, INC.

**Order Regarding Postponement of
Conference and Hearing**

In re application of WFRV, Inc., Brampton, Mich., Docket No. 18221, File No. BPCT-3997; for construction permit for new television broadcast station.

The Hearing Examiner having under consideration a "Motion to Postpone Prehearing Conference and Hearing" filed by WFRV, Inc., on July 12, 1968, requesting postponement of procedural dates in order to explore the availability of a different site, with a further view to amendment of its present proposal and return to the processing line;

It appearing, that the relief now sought could result in eliminating the need for extensive hearing, that "good cause" has been shown for granting the postponement motion, and that counsel for the other parties do not oppose this motion:

Accordingly, it is ordered, That the "Motion to Postpone Prehearing Conference and Hearing" filed by WFRV, Inc., on July 12, 1968 is granted, the prehearing conference is postponed from August 9, 1968, to October 15, 1968, and the hearing is postponed from September 18, 1968, to a later date to be set at the prehearing conference, in the event a hearing on the above-captioned application will be required.

Issued: July 17, 1968.

Released: July 17, 1968.

**FEDERAL COMMUNICATIONS
COMMISSION,**

[SEAL] **BEN F. WAPLE,**
Secretary.

[F.R. Doc. 68-8745; Filed, July 22, 1968;
8:48 a.m.]

FEDERAL MARITIME COMMISSION

**FARRELL LINES, INC., AND GRINDROD,
GERSIGNY & CO. (PTY) LTD.,
AGENTS FOR UNICORN SHIPPING
LINES GROUP OF COASTER COM-
PANIES**

**Notice of Agreement Filed for
Approval**

Notice is hereby given that the following agreement has been filed with the

Commission for approval pursuant to section 15 of the Shipping Act, 1916, as amended (39 Stat. 733, 75 Stat. 763, 46 U.S.C. 814).

Interested parties may inspect and obtain a copy of the agreement at the Washington office of the Federal Maritime Commission, 1321 H Street NW., Room 609; or may inspect agreements at the offices of the District Managers, New York, N.Y., New Orleans, La., and San Francisco, Calif. Comments with reference to an agreement including a request for hearing, if desired, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C. 20573, within 20 days after publication of this notice in the FEDERAL REGISTER. A copy of any such statement should also be forwarded to the party filing the agreement (as indicated hereinafter) and the comments should indicate that this has been done.

Notice of agreement filed for approval by:

Mr. Hans Unterwiener, Manager, Freight Documentation, Farrell Lines, Inc., 1 Whitehall Street, New York, N.Y. 10004.

Agreement No. 9732, between Farrell Lines, Inc., and Grindrod, Gersigny & Co. (Pty) Limited, Agents for The Unicorn Shipping Lines Group of Coaster Companies, establishes a through billing arrangement for cargo in the trade between ports of Mauritius, Reunion, Malagasy Republic, and Seychelles, and United States Atlantic Ports with transshipment at ports in the Republic of South Africa in accordance with the terms and conditions set forth in the agreement.

Dated: July 18, 1968.

By order of the Federal Maritime Commission.

FRANCIS C. HURNEY,
Assistant Secretary.

[F.R. Doc. 68-8746; Filed, July 22, 1968;
8:48 a.m.]

HAMBURG-AMERIKA LINIE ET AL.

**Notice of Agreement Filed for
Approval**

Notice is hereby given that the following agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916, as amended (39 Stat. 733, 75 Stat. 763, 46 U.S.C. 814).

Interested parties may inspect and obtain a copy of the agreement at the Washington office of the Federal Maritime Commission, 1321 H Street NW., Room 609; or may inspect agreements at the offices of the District Managers, New York, N.Y., New Orleans, La., and San Francisco, Calif. Comments with reference to an agreement including a request for hearing, if desired, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C. 20573, within 20 days after publication of this notice in the FEDERAL REGISTER. A copy of any such statement should also be forwarded

to the party filing the agreement (as indicated hereinafter) and the comments should indicate that this has been done.

Notice of agreement filed for approval by:

Mr. F. J. Barry, General Traffic Department, United States Navigation Co., Inc., 17 Battery Place, New York, N.Y. 10004.

Agreement No. 9734 establishes a cooperative working arrangement between Hamburg-Amerika Linie, Norddeutscher Lloyd and Farrell Lines, Inc., for the interchange of cargo containers and/or related equipment in the various trades between United States ports and ports in Africa, Australia, New Zealand, and ports in the United Kingdom and Europe in accordance with the terms and conditions set forth in the agreement.

Dated: July 18, 1968.

By order of the Federal Maritime Commission.

FRANCIS C. HURNEY,
Assistant Secretary.

[F.R. Doc. 68-8747; Filed, July 22, 1968;
8:48 a.m.]

FEDERAL POWER COMMISSION

[Docket No. E-7428]

OTTER TAIL POWER CO.

Notice of Application

JULY 16, 1968.

Take notice that on July 9, 1968, Otter Tail Power Co. (Otter Tail) filed an application seeking an order pursuant to section 203 of the Federal Power Act authorizing the acquisition of certain electric facilities from the Northern States Power Company of Minneapolis, Minn.

Otter Tail is incorporated under the laws of the State of Minnesota with its principal business office at Fergus Falls, Minn., and is engaged in the electric utility business in portions of the States of Minnesota, North Dakota, and South Dakota.

The facilities to be acquired consist of the facilities making up the electric distribution system of the village of Fisher, in Polk County, Minn., now owned by Northern States Power Co. The agreed upon purchase price for these facilities is \$64,000.

Any person desiring to be heard or to make any protest with reference to said application should, on or before August 2, 1968, file with the Federal Power Commission, Washington, D.C. 20426, petitions or protests in accordance with the requirements of the Commission's rules of practice and procedure (18 CFR 1.8 or 1.10). The application is on file and available for public inspection.

GORDON M. GRANT,
Secretary.

[F.R. Doc. 68-8720; Filed, July 22, 1968;
8:46 a.m.]

[Docket No. CP68-330 etc.]

TENNESSEE GAS PIPELINE CO. ET AL.**Notice of Applications and Offer of Settlement**

JULY 15, 1968.

Tennessee Gas Pipeline Co., a division of Tenneco Inc., Docket No. CP68-330; Tennessee Gas Supply Co., Docket No. CI68-1346; Getty Oil Co., Docket No. CI69-13; Cities Service Oil Co., Docket No. CI69-14; Continental Oil Co., Docket No. CI69-15; Atlantic Richfield Co., Docket No. CI69-16; Continental Oil Co., Atlantic Richfield Co., Getty Oil Co., and Cities Service Oil Co., Docket No. RI64-129.

Take notice that on May 28, 1968, Tennessee Gas Pipeline Co., a division of Tenneco Inc. (Pipeline Company), Post Office Box 2511, Houston, Tex. 77001, filed in Docket No. CP68-330 an application pursuant to section 7(c) of the Natural Gas Act for a certificate of public convenience and necessity authorizing the construction and operation of approximately 5,000 feet of 12-inch pipeline and appurtenant facilities to connect natural gas reserves in Blocks 198 and 199, Ship Shoal Block 176 Field, offshore Louisiana, to the offshore supply system to be constructed by Pipeline Company pursuant to the certificate issued in Docket No. CP65-356, all as more fully set forth in the application which is on file with the Commission and open to public inspection.

Pipeline Company proposes to construct and operate facilities to receive natural gas to be purchased from Tennessee Gas Supply Co. (Supply Company), Applicant in Docket No. CI68-1346. The applications in Docket Nos. CP68-330 and CI68-1346 have been filed as part of a plan embraced in a settlement agreement in Docket No. RI64-219 described below.

The facilities proposed in Docket No. CP68-330 are estimated to cost \$531,000, which will be financed with internally generated funds and bank loans.

Take further notice that on May 28, 1968, Supply Company, Post Office Box 2511, Houston, Tex. 77001, filed in Docket No. CI68-1346 an application pursuant to section 7(c) of the Natural Gas Act for a certificate of public convenience and necessity authorizing the sale for resale and delivery of natural gas to Pipeline Company from the Ship Shoal Block 176 Field, offshore Louisiana, all as more fully set forth in the application which is on file with the Commission and open to public inspection.

Supply Company states that it is willing to accept a certificate at an initial rate of 19.5 cents per Mcf at 15.025 p.s.c.a. subject to refund to the extent that a lesser price is determined to be just and reasonable in the Area Rate Proceeding, et al. (Southern Louisiana Area), Docket No. AR61-2, et al.: *Provided, however*, That its refund liability will be limited to amounts collected in excess of 16.5 cents per Mcf, as proportionately adjusted to reflect B.t.u. content below 1,000 B.t.u.'s

per cubic foot. Supply Company also states that it is willing to accept a certificate subject to the final disposition of the rulemaking proceeding pending in Docket No. R-338 with respect to the transportation of liquids and liquifiable hydrocarbons.

Supply Company's contract with Pipeline Company has been submitted for filing as an FPC gas rate schedule.

Take further notice that on May 28, 1968, Continental Oil Co., Post Office Box 2197, Houston, Tex. 77001; Atlantic Richfield Co., Post Office Box 2819, Dallas, Tex. 75221; Getty Oil Co., Post Office Box 1404, Houston, Tex. 77001; and Cities Service Oil Co., Cities Service Building, Bartlesville, Okla. 74003 (hereinafter referred to as CAGC companies) filed in Docket No. RI64-129 a petition for Commission approval of a settlement agreement entered into between them and Tenneco Inc. (acting through Pipeline Company), Supply Company, and Tenneco Oil Co., all as more fully set forth in the petition which is on file with the Commission and open to public inspection.

Take further notice that on July 1, 1968, Getty filed in Docket No. CI69-13, Cities Service filed in Docket No. CI69-14, Continental filed in Docket No. CI69-15, and Atlantic Richfield filed in Docket No. CI69-16 applications pursuant to section 7(c) of the Natural Gas Act for certificates of public convenience and necessity authorizing the sale of natural gas in interstate commerce to Supply Company by means of the assignment of leases, all as more fully set forth in the applications which are on file with the Commission and open to public inspection.

By instruments dated May 5, 1961, each entitled "Act of Sale and Mortgage and Pledge" the CAGC companies or their predecessors in interest (then commonly referred to as CATC or CATCO companies) assigned to Supply Company and Tenneco Oil Co. certain gas and oil interests, respectively, which the CAGC companies held in Blocks 198 and 199 for and in consideration of cash, notes, and certain covenants and agreements paid, issued, and extended to the CAGC companies. Supply Company subsequently assigned its interests to Tennessee Gas Transmission Co., Pipeline Company's predecessor in interest. In Opinion No. 403, 30 FPC 759, the Commission declined in Docket No. CP60-94 to certificate Pipeline Company's facilities to take gas from Blocks 198 and 199 pending completion of a proceeding on an order to show cause issued in Docket No. RI64-129, 30 FPC 758, concurrently with Opinion No. 403. By order of October 23, 1964, 32 FPC 1167, as amended by order of December 21, 1964, 32 FPC 1487, in Docket No. RI64-129 the Commission determined that the transactions of May 10, 1961, were sales for resale of natural gas in interstate commerce subject to the jurisdiction of the Commission and ordered the CAGC companies to make appropriate filings required by the Natural Gas Act. The CAGC companies

have executed and filed the subject Settlement Agreement to comply with the orders in Docket No. RI64-129.

The Settlement Agreement provides for the following modifications in the Ship Shoal transactions:

1. Reduction of the consideration to be paid the CAGC companies from \$97,333,332 to \$53,989,582;

2. Execution of a conventional gas sales contract between Supply Company and Pipeline Company;

3. Application for a certificate of public convenience and necessity authorizing such sale to be filed with the Commission by the seller, Supply Company;

4. Cancellation of all of the remaining 14 promissory notes to become due in each of the years from 1969 through 1975;

5. Termination and release of all of the security interests in the form of special mortgages and vendors' liens held by the CAGC companies in the assigned leases;

6. Cancellation of agreements respecting the total quantity of recoverable reserves of gas and oil underlying the assigned leases;

7. Cancellation of all provisions providing for determination or redetermination of reserves;

8. Cancellation of related provisions for adjustment of the purchase price based upon reserves;

9. Cancellation of all preferential rights of the CAGC companies to repurchase the conveyed interests;

10. Cancellation of the Crude Oil Purchase Agreement between the CAGC companies, as purchasers, and Supply Company and Tenneco Oil Co., as sellers;

11. Cancellation of the right of the CAGC companies to restrict the mortgaging or encumbering of the properties by Supply Company and Tenneco Oil Co.;

12. Cancellation of the plan of development requiring the Tennessee Companies to develop the properties in a specified manner.

The parties to the Settlement Agreement have taken or will take the following actions to effectuate said agreement:

1. Tenneco Inc., will execute an instrument which releases, relinquishes, and transfers to Supply Company all of Tenneco's interest in the leases, lands, equipment, and production facilities described in such instrument. The effect of this instrument is to reconvey to Supply Company all properties which were originally assigned by the CAGC companies to Supply Company and reassigned by Supply Company to Tenneco. Supply Company, as an independent producer, will produce gas from the subject properties and sell the production to Pipeline Company as proposed in Docket No. CI68-1346.

2. The CAGC companies and Supply Company and Tenneco Oil Co. will execute a Second Amendment to Act of Sale and Mortgage and Pledge. This instrument reduces the consideration and is intended to divorce the interest of the

CAGC parties from those of the Tennessee Companies in the leaseholds.

3. Supply Company and Pipeline Company have executed a contract providing for a conventional sale of gas, as produced, to Pipeline Company. This contract is the basis of the application for a certificate of public convenience and necessity filed by Supply Company in Docket No. CI68-1346.

4. The CAGC companies and Supply Company and Tenneco Oil Co. will terminate the Crude Oil Purchase Contract.

Protests or petitions to intervene in Docket Nos. CP68-330, CI68-1346, CI69-13, CI69-14, CI69-15, and CI69-16 may be filed with the Federal Power Commission, Washington, D.C. 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) and the regulations under the Natural Gas Act (18 CFR 157.10) on or before August 7, 1968. Comments on the offer of settlement in Docket No. RI64-129 may be filed on or before the same date.

GORDON M. GRANT,
Secretary.

[F.R. Doc. 68-8721; Filed, July 22, 1968;
8:46 a.m.]

INTERNATIONAL JOINT COMMISSION—UNITED STATES AND CANADA

RAISIN REGION CONSERVATION AUTHORITY

Diversion of Water From St. Lawrence River to Raisin River Near Cornwall, Ontario

Notice is hereby given that the International Joint Commission has received an application by the Raisin Region Conservation Authority for approval of the diversion of water from the St. Lawrence River into the Raisin River. The applicant proposes to divert a total of 25 cubic feet per second of water from the St. Lawrence at two locations above the Robert Saunders and Robert Moses Generating Stations, to improve the condition of the Raisin River during the periods of natural low summer flow. The diversions would continue for 100 days or as required for this purpose. The diverted water would be returned to the St. Lawrence River via the Raisin River at Lancaster, Ontario.

Governments and interested persons, including municipalities, corporations, partnerships, associations, and individuals may present statements in response to the Commission prior to August 31, 1968, at either of the addresses noted below; such statements in response should set forth facts and arguments bearing on the subject matter of the ap-

plication and tending to oppose or support the application in whole or in part. If it is desired that conditional approval be granted, the statement in response should set forth the particular condition or conditions desired. Copies of the application and related drawings are available on request from the Secretaries of the Commission.

The Commission will hold a hearing at which all persons interested will be entitled to be heard with respect thereto.

Time and place of such hearing will be announced subsequently.

W. A. BULLARD,
Secretary, United States Section,
International Joint Commission.

D. G. CHANCE,
Secretary, Canadian Section,
International Joint Commission.

JULY 17, 1968.

[F.R. Doc. 68-8724; Filed, July 22, 1968;
8:46 a.m.]

NATIONAL AERONAUTICS AND SPACE COUNCIL

SPECIAL ASSISTANT AND AEROSPACE ASSISTANTS

Notice of Basic Compensation

Positions to be changed.

Special assistant.....	\$25,374 p.a.	SCS No. 4.
Aerospace assistant.....	\$26,960 p.a.	SCS No. 3.
Do.....	\$26,960 p.a.	SCS No. 2.

Notice of basic compensation.

Name and title	New pay rate	Old pay rate	Position No.
John G. Stewart:			
Special assistant.....	\$27,139 p.a.	\$25,374 p.a.	SCS No. 4.
Frank F. Rand, Jr.:			
Aerospace assistant.....	\$28,000 p.a.	\$26,960 p.a.	SCS No. 3.
Philip K. Eckman:			
Aerospace assistant.....	\$28,000 p.a.	\$26,960 p.a.	SCS No. 2.

Authority for pay change. Public Law 88-426 approved August 14, 1964, Title III, section 306, subsection (c) reads: "That part of section 201(f) of the National Aeronautics and Space Act of 1958 (72 Stat. 428; 42 U.S.C. 2471(f)), fixing a limit of \$19,000 on the compensation of seven persons in the National Aeronautics and Space Council, is amended by striking out 'compensated at the rate of not more than \$19,000 a year,' and inserting in lieu thereof 'compensated at not to exceed the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended,' and salary rates as initially authorized by the Federal Salary Act of 1967 and those authorized by Executive Order 11413.

Effective date. July 14, 1968.

RUSSELL W. HALE,
Assistant to Executive Secretary.

[F.R. Doc. 68-8758; Filed, July 22, 1968;
8:49 a.m.]

SECURITIES AND EXCHANGE COMMISSION

ALSCOPE CONSOLIDATED, LTD.

Order Suspending Trading

JULY 17, 1968.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the common stock of Alscope Consolidated, Ltd., Pas-

said, N.J., being traded otherwise than on a national securities exchange is required in the public interest and for the protection of investors:

It is ordered, Pursuant to section 15(c) (5) of the Securities Exchange Act of 1934, that trading in such securities otherwise than on a national securities exchange be summarily suspended, this order to be effective for the period July 18, 1968, through July 27, 1968, both dates inclusive.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F.R. Doc. 68-8710; Filed, July 22, 1968;
8:45 a.m.]

[File No. 7-2937]

ASSOCIATED BABY SERVICES, INC.

Notice of Application for Unlisted Trading Privileges and of Opportunity for Hearing

JULY 17, 1968.

In the matter of application of the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in a certain security.

The above-named national securities exchange has filed an application with the Securities and Exchange Commission pursuant to section 12(f)(1)(B) of the Securities Exchange Act of 1934 and Rule 12f-1 thereunder, for unlisted trading privileges in the common stock

of the following company, which security is listed and registered on one or more other national securities exchange: Associated Baby Services, Inc., File No. 7-2937.

Upon receipt of a request, on or before August 1, 1968, from any interested person, the Commission will determine whether the application shall be set down for hearing. Any such request should state briefly the nature of the interest of the person making the request and the position he proposes to take at the hearing, if ordered. In addition, any interested person may submit his views or any additional facts bearing on the said application by means of a letter addressed to the Secretary, Securities and Exchange Commission, Washington 25, D.C., not later than the date specified. If no one requests a hearing, this application will be determined by order of the Commission on the basis of the facts stated therein and other information contained in the official files of the Commission pertaining thereto.

For the Commission (pursuant to delegated authority).

[SEAL] ORVAL L. DuBOIS,
Secretary.

[F.R. Doc. 68-8711; Filed, July 22, 1968;
8:45 a.m.]

[70-4646]

INDIANA GAS CO., INC.

Notice of Proposed Acquisition of Common Stock of Nonassociate Public-Utility Company

JULY 17, 1968.

Notice is hereby given that Indiana Gas Co., Inc. ("Indiana Gas"), 1630 North Meridian Street, Indianapolis, Ind. 46202, a public-utility company and an exempt holding company, has filed an application with this Commission pursuant to the Public Utility Holding Company Act of 1935 ("Act"), designating sections 9(a) and 10 of the Act as applicable to the proposed acquisition by Indiana Gas of all of the shares of common stock of Indiana Gas Distribution Corp. ("Gas Distribution"), a nonassociate gas utility company. All interested persons are referred to the application, which is summarized below, for a complete statement of the proposed transaction.

Indiana Gas, an Indiana corporation, is a gas utility company operating solely within the State of Indiana. At March 31, 1968, Indiana Gas rendered natural gas service to approximately 150,000 consumers, residential, commercial, and industrial, located in 94 communities and adjacent rural areas in 33 counties in north central, central, and southern Indiana. For the 12 months ended March 31, 1968, Indiana Gas's gross operating revenues from the sale and distribution of natural gas amounted to \$35,742,000, and its net investment in gas utility plant at such date was \$64,813,000. Indiana Gas has two subsidiary companies, one of which, Ohio

River Gas Co., Inc. ("Ohio Gas"), is a gas utility company organized in Indiana and operating in Kentucky. Ohio Gas's gross operating revenues for the 12 months ended March 31, 1968, amounted to \$25,500, and its total net investment in gas utility plant at said date was \$55,000. In addition, Indiana Gas owns all of the common stock of Ohio River Pipeline Corp., an Indiana corporation, whose sole activities are the purchase of natural gas from a pipeline supplier, the interstate transmission thereof, and the sale of such gas to Indiana Gas and Ohio Gas for resale.

Gas Distribution, an Indiana corporation, is a gas utility company operating solely within the State of Indiana. At March 31, 1968, Gas Distribution supplied natural gas service to approximately 5,100 consumers in and adjacent to seven communities located in five counties in Indiana and to approximately 600 rural area customers in 18 counties in Indiana. Much of the territory served by Gas Distribution is directly adjacent to the territory served by Indiana Gas. For the 12 months ended March 31, 1968, the gross operating revenues of Gas Distribution were \$935,000, and its net utility plant at such date was \$556,000. The only securities which Gas Distribution has outstanding are 16 shares of common stock, without par value. Eight shares of its common stock are owned by its President, William H. Maxon, and eight shares by his mother, Mrs. Lucie W. Maxon. The Maxon family has owned and managed Gas Distribution since 1942.

Indiana Gas proposes to acquire said 16 shares for a total cash consideration of \$2,400,000. The consideration is stated to have been arrived at through lengthy arm's-length bargaining. The Maxons are also entitled to a transfer of the automobiles now made available to them by Gas Distribution or any replacement thereof made in accordance with Gas Distribution's present policy for such replacements. The depreciated costs of such automobiles as recorded on the books of Gas Distribution is \$5,739.

In addition to the foregoing, Indiana Gas has entered into an employment agreement with William H. Maxon for a period extending from the date of consummation of the stock purchase through December 31, 1969, at a salary of \$2,500 per month, the same as his present salary. Indiana Gas does not regard such employment arrangement as constituting any additional consideration for the stock purchase for the reason that Mr. Maxon is now the only officer or employee of Gas Distribution having any detailed familiarity with Gas Distribution's properties, books, and records.

The application states that it is contemplated that within 12 months Indiana Gas will acquire the assets from Gas Distribution and operate them as part of its gas distribution system. Indiana Gas states that the gas utility service areas of Gas Distribution are directly adjacent to and can be readily integrated into its gas distribution system and are essential to Indiana Gas to preserve its territorial operating rights adjacent to the city of Indianapolis. It is further

stated that economies of operation will be realized and that the number of customers served by Gas Distribution can be greatly increased.

Indiana Gas proposes to pay the purchase price for the Gas Distribution stock from funds on hand, such funds being a portion of the more than \$13,389,000 received by it in September 1967 from the sale of certain water utility properties theretofore owned and operated by it. On the basis of financial data at March 31, 1968, Indiana Gas will realize a plant acquisition adjustment of \$1,723,500 when it subsequently acquires the assets of Gas Distribution. Indiana Gas intends to amortize such acquisition adjustment over a 25-year period which approximates the remaining life of the property.

The fees and expenses to be incurred by Indiana Gas in connection with the proposed acquisition are estimated at \$12,600, including a legal fee of \$12,500. Indiana Gas has also agreed to pay the legal, accounting, and regulatory expenses of Mr. and Mrs. Maxon, which expenses are estimated at \$26,000. The application states that the Public Service Commission of Indiana has jurisdiction over the proposed acquisition of the common stock and also over the intended subsequent acquisition by Indiana Gas of Gas Distribution's assets, including the disposition of the plant acquisition adjustment arising from such acquisition.

Notice is further given that any interested person may, not later than August 7, 1968, request in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request, and the issues of fact or law raised by said application which he desires to controvert; or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request should be served personally or by mail (airmail if the person being served is located more than 500 miles from the point of mailing) upon the applicant at the above-stated address, and proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. At any time after said date, the application, as filed or as it may be amended, may be granted as provided in Rule 23 of the general rules and regulations promulgated under the Act, or the Commission may grant exemption from such rules as provided in Rules 20(a) and 100 thereof or take such other action as it may deem appropriate. Persons who request a hearing or advice as to whether a hearing is ordered will receive notice of further developments in this matter, including the date of the hearing (if ordered) and any postponements thereof.

For the Commission (pursuant to delegated authority).

[SEAL] ORVAL L. DuBOIS,
Secretary.

[F.R. Doc. 68-8712; Filed, July 22, 1968;
8:45 a.m.]

[31-693]

INTERNATIONAL UTILITIES CORP.**Notice of Filing of Application for Exemption**

JULY 17, 1968.

Notice is hereby given that International Utilities Corp. ("International"), 200 University Avenue, Toronto 1, Ontario, Canada, a Maryland corporation and an exempt holding company, has filed an application and amendments thereto with this Commission pursuant to section 3(b) of the Public Utility Holding Company Act of 1935 ("Act") requesting an exemption from all provisions of the Act for Brazilian Light and Power Co., Ltd. ("Brazilian"). All interested persons are referred to the application, as amended, which is summarized below.

International is an exempt holding company pursuant to orders of the Commission under section 3(a)(5) of the Act (Holding Company Act Release Nos. 6181, 14328, and 14407). International is qualified to carry on business in Canada and maintains its principal executive office in Toronto, Canada. On December 31, 1967, it had direct and indirect subsidiary companies engaging in such diverse activities as manufacturing, shipping, trucking, oceanography, public-utility operations, communications, and financial services. None of the public-utility subsidiary companies of International operates within the United States, and the business of International within the United States is not that of a public-utility company. International had, at December 31, 1967, consolidated assets of \$841,432,834 including marketable securities, at cost, of \$75,516,301, and for the year then ended consolidated revenues were \$492,103,898.

As of May 9, 1968, International owned approximately 7.1 percent of the 17,528,871 outstanding ordinary voting shares of Brazilian outstanding at December 31, 1967. It proposes to acquire additional shares so that International will own 10 percent or more of such Brazilian shares. Brazilian is engaged, through subsidiary companies, in the electric and gas utility business within Brazil and has no public-utility operations within the United States. At December 31, 1967, the consolidated assets of Brazilian, less accumulated reserves for depreciation, amortization, and reversion totaling \$383,365,823, amounted to \$796,366,278, and for the year then ended, consolidated operating revenues were \$267,874,842.

It is stated that, upon the entry of an order under section 3(b) of the Act and consummation of the proposed acquisition of Brazilian shares, International will be exempt as a holding company as to Brazilian pursuant to Rule 10(a)(1) promulgated under the Act, without affecting its exemption under section 3(a)(5) of the Act pursuant to the prior orders of this Commission.

Notice is further given that any interested person may, not later than August 7, 1968, request in writing that a hearing be held on such matter, stating

the nature of his interest, the reasons for such request, and the issues of fact or law raised by said application which he desires to controvert; or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request should be served personally or by mail (airmail if the person being served is located more than 500 miles from the point of mailing) upon the applicant at the above-stated address, and proof of service (by affidavit or, in the case of an attorney at law, by certificate) should be filed with the request. At any time after said date, the application, as amended or as it may be further amended, may be granted, or the Commission may take such other action as it may deem appropriate. Persons who request a hearing or advice as to whether a hearing is ordered will receive notice of further developments in this matter, including the date of the hearing (if ordered) and any postponements thereof.

For the Commission (pursuant to delegated authority).

[SEAL]

ORVAL L. DuBOIS,
Secretary.[F.R. Doc. 68-8713; Filed, July 22, 1968;
8:45 a.m.]

[File No. 7-2938]

NORTHWEST INDUSTRIES, INC.**Notice of Application for Unlisted Trading Privileges and of Opportunity for Hearing**

JULY 17, 1968.

In the matter of application of the Midwest Stock Exchange for unlisted trading privileges in a certain security.

The above-named national securities exchange has filed an application with the Securities and Exchange Commission pursuant to section 12(f)(1)(B) of the Securities Exchange Act of 1934 and Rule 12f-1 thereunder, for unlisted trading privileges in the common stock of the following company, which security is listed and registered on one or more other national securities exchange:

Northwest Industries, Inc., File No. 7-2938.

Upon receipt of a request, on or before August 1, 1968, from any interested person, the Commission will determine whether the application shall be set down for hearing. Any such request should state briefly the nature of the interest of the person making the request and the position he proposes to take at the hearing, if ordered. In addition, any interested person may submit his views or any additional facts bearing on the said application by means of a letter addressed to the Secretary, Securities and Exchange Commission, Washington 25, D.C., not later than the date specified. If no one requests a hearing, this application will be determined by order of the Commission on the basis of the facts stated therein and other information

contained in the official files of the Commission pertaining thereto.

For the Commission (pursuant to delegated authority).

[SEAL]

ORVAL L. DuBOIS,
Secretary.[F.R. Doc. 68-8714; Filed, July 22, 1968;
8:45 a.m.]**ZIMOCO PETROLEUM CORP.****Order Suspending Trading**

JULY 17, 1968.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the common stock of Zimoco Petroleum Corp., New York, N.Y., being traded otherwise than on a national securities exchange is required in the public interest and for the protection of investors:

It is ordered, Pursuant to section 15(c)(5) of the Securities Exchange Act of 1934, that trading in such securities otherwise than on a national securities exchange be summarily suspended, this order to be effective for the period July 18, 1968, through July 27, 1968, both dates inclusive.

By the Commission.

[SEAL]

ORVAL L. DuBOIS,
Secretary.[F.R. Doc. 68-8715; Filed, July 22, 1968;
8:45 a.m.]**SMALL BUSINESS
ADMINISTRATION****BROADWAY CAPITAL CORP.****Notice of Filing of Application for Transfer of Control of Licensed Small Business Investment Company**

Notice is hereby given that Broadway Capital Corp., 80 Pine Street, New York, N.Y. 10005, licensed small business investment company under the Small Business Investment Act of 1958, as amended, has filed an application with the Small Business Administration for approval of a proposed change of control. Such prior approval is required under § 107.701 of SBA regulations (13 CFR Part 107, 33 F.R. 326).

Broadway Capital Corp. was licensed August 30, 1960. As of March 31, 1968, its paid-in capital was \$155,000. All of the 1,550 outstanding shares of common stock are owned by Mr. Emanuel Gruss, president and director of the Licensee.

Mr. Gruss has entered into a binding commitment, subject to SBA approval, to sell his interest to certain purchasers for cash. Mr. Gruss will retain a \$15,000 stock interest in the Licensee but he will not be an officer or a director thereof. He will purchase all the portfolio assets of the Licensee for cash immediately after the sale of his stock.

The proposed purchasers (seven) will increase the Licensee's paid-in capital to

\$400,000 immediately after the change of ownership is completed and are committed (to SBA) to increase the paid in capital to \$500,000 not later than 1 year from the date of SBA approval of the change of control.

Irving S. Lowey, 300 East 40th Street, New York, N.Y. Manager and Director.
10016.

Matt Joseph Rocker, 365 West 28th Street, New York, N.Y. Director.
10001.

Max Meyerowitz, 1039 Cedarhurst Street, Valley Stream, Trustee, Director and more than
Long Island, N.Y. 11581. 10 percent stockholder.

Jacob Margolis, 100 West 57th Street, New York, N.Y. More than 10 percent stockholder
10019. (principal stockholder).

The Licensee will remain in New York City.

Matters involved in SBA's consideration of the application includes the general business character and business reputation of the above-named persons and their commitment to actively operate the Licensee within the intent and purpose of the Act and regulations.

Interested persons should address their comments on the proposed transfer of control to the Associate Administrator for Investment, Small Business Administration, 1441 L Street NW., Washington, D.C. 20416, within 10 days after the publication of this notice.

A similar notice has been published by the proposed purchasers in a New York City daily newspaper.

For SBA (under delegated authority).

Dated: July 16, 1968.

GLENN R. BROWN,
Associate Administrator
for Investment.

[F.R. Doc. 68-8716; Filed, July 22, 1968;
8:46 a.m.]

DEPARTMENT OF LABOR

Office of Federal Contract Compliance

[Docket No. 100-68; Executive Order 11246]

TIMKEN ROLLER BEARING CO.

Notice of Hearing Regarding Breach of Contracts

The Director of the Office of Federal Contract Compliance, U.S. Department of Labor (hereinafter the Director), having reason to believe that the provisions of the contracts referred to herein have been breached, having given Respondent notice of proposed termination of existing contracts and determination of contract ineligibility under the authority of Executive Order 11246, 30 F.R. 12319 (1965) and the rules and regulations pursuant thereto, 41 CFR Part 60-1, and Respondent having requested a hearing on said proposed actions, hereby sets the matter down for a hearing to be conducted in accordance with rules of procedure which are available at Room 4136, U.S. Department of Labor, Washington, D.C., and which specify the terms on which others may participate.

The allegations on which the Director's proposed action is based are as follows:

The names and addresses of the proposed new directors and transferees who will own more than 10 percent of the Licensee's stock as recapitalized are shown below.

I. Timken Roller Bearing Co. (hereinafter the Respondent) is an Ohio corporation, maintaining its principal office in Canton, Ohio. It maintains production facilities in Canton, Ohio, and Columbus, Ohio, where it manufactures tapered roller bearings, steel and steel tubing, and engages in maintenance and repair of railroad rolling stock.

II. (A) At all times pertinent hereto, Respondent has regularly contracted and continues to regularly contract with departments and agencies of the U.S. Government.

(B) Pursuant to the requirements of section 202, Executive Order 11246, 30 F.R. 12320 (1965) (and the corresponding section of preceding Executive orders), the contracts between Respondent and the U.S. Government contain an "equal opportunity clause" in the form attached hereto as Exhibit A. This "equal opportunity clause" provides in part: "(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, creed, color, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship."

III. (A) In 1960, Columbus, Ohio, had a population of 471,316, of which approximately 77,140 were Negro. In 1960, Canton, Ohio, had a population of 113,631, of which approximately 11,055 were Negro.

(B) Respondent employs approximately 14,646 persons of whom approximately 1,123 are Negroes. Of approximately 1,857 persons employed as officials, managers, professionals, technicians, and sales workers, approximately 10 are Negroes. Of approximately 1,565 office and clerical workers approximately 41 are Negroes. Of approximately 3,800 skilled workers, approximately 108 are Negroes.

Over one-third (446) of the 1,123 Negroes employed by the Respondent are assigned to unskilled labor or service jobs. Only one-sixth of the white workers are assigned to such jobs.

IV. Since March 6, 1961, Respondent has violated, and continues to violate its contracts with agencies and Departments of the Federal Government. These violations include:

(a) Discriminating against Negroes in the recruitment, selection, and employment of officials and managers, professionals, technicians, sales workers, and office and clerical workers, apprentices, and other trainees.

(b) Engaging in employment practices which favor white applicants and discriminate against Negroes by preferential hiring and assignment of whites without regard to qualifications while placing stringent requirements upon Negroes who apply for employment or assignment in the same or similar jobs, units, or departments. Such practices have resulted in the concentration of Negro employees in less desirable jobs.

(c) Employing transfer procedures and seniority regulations which limit the ability of Negro employees to gain access to the more desirable jobs, units, and departments because of loss of seniority, and loss of pay and other benefits. Such procedures and regulations perpetuate the effects of racially discriminatory employment and assignment practices.

(d) Failing to take affirmative action to ensure that persons are recruited, hired, and treated during employment without regard to their race or color.

V. The Government has made reasonable efforts to secure compliance by the Respondent with the "equal opportunity clause" by methods of conference, conciliation, mediation, and persuasion. These reasonable efforts included numerous conciliation meetings between Respondent and the Department of Defense since 1964, including an informal hearing on February 27-28, 1968, in Washington, D.C., attended by Respondent's officials and representatives of the Office of Federal Contract Compliance and the Department of Defense. At that time, as in the past, Respondent failed and refused to take adequate steps to eliminate the conditions described in paragraph IV of this notice.

Wherefore, the Secretary of Labor has designated as the Panel to hear and determine this matter in accordance with the rules of procedure, heretofore referred to.

Mr. Harold Summers, Associate Chief Trial Examiner, National Labor Relations Board, Room 852, Washington, D.C. 20570, Chairman.

Mr. Dallas Young, Western Reserve University, 332 Newton Baker Building, Cleveland, Ohio 44105.

Mr. Jack G. Day, 1748 Standard Building, Cleveland, Ohio 44113.

and to recommend to the Director whether,

(a) Pursuant to section 209(a)(5) of Executive Order 11246, the Director shall cause to be terminated all existing contracts or any portion or portions thereof which the Respondent holds with agencies and departments of the Federal Government and all subcontracts as defined in 41 CFR 60-1.2(k); and

(b) Pursuant to sections 202 and 209 (a) (6) of Executive Order 11246 and 41 CFR 60.127(b), the Director shall declare the Respondent ineligible for further contracts, subcontracts, and extensions of existing contracts or subcontracts until the Respondent has satisfied the Director that it has established and will carry out personnel and employment policies in compliance with the provisions of Executive Order 11246; and

(c) Other appropriate action authorized by section 209 of Executive Order 11246 shall be taken.

The Hearing will be convened at 9:30 a.m., on August 27, 1968, at Conference Room B, Interstate Commerce Commission Building, Constitution Avenue NW., Washington, D.C.

This notice has been signed and issued pursuant to 41 CFR 60-1.26(b) and 60-1.27 at Washington, D.C., this 16th day of July 1968.

WARD MCCREEDY,
Acting Director, Office of
Federal Contract Compliance.

EXHIBIT A

During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

(6) In the event of the contractor's non-compliance with the nondiscrimination

clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance: *Provided, however*, That in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States, Executive Order 11246, § 202 (30 F.R. 12319 (1965)).

[F.R. Doc. 68-8725; Filed, July 22, 1968; 8:46 a.m.]

[Docket No. 101-68; Executive Order 11246]

ALLEN-BRADLEY CO.

Notice of Hearing Regarding Breach of Contracts

The Director of the Office of Federal Contract Compliance, U.S. Department of Labor (hereinafter the Director), having reason to believe that the provisions of the contracts referred to herein have been breached, having given Respondent notice of proposed termination of existing contracts and determination of contract ineligibility under the authority of Executive Order 11246, 30 F.R. 12319 (1965), and the rules and regulations pursuant thereto, 41 CFR Part 60-1, and Respondent having requested a hearing matter down for a hearing to be conducted in accordance with rules of procedure which are available at Room 4136, 14th and Constitution Avenue, Washington, D.C., and which specify the terms on which others may participate.

The allegations on which the Director's proposed action is based are as follows:

I. Allen-Bradley Co. (hereinafter the Respondent) is a Wisconsin corporation, maintaining its principal office and principal facility at 1201 South Second Street in the city of Milwaukee, Wis., where it is engaged in the manufacture of motor controls, electronic components, ferrite products, and ceramics.

II. (A) At all times pertinent hereto, Respondent has regularly contracted and continues to regularly contract with departments and agencies of the U.S. Government.

(B) Pursuant to the requirements of section 202, Executive Order 11246, 30 F.R. 12320 (1965) (and the correspond-

ing section of preceding Executive orders), the contracts between Respondent and the U.S. Government contain an "equal opportunity clause" in the form attached hereto as Exhibit A. This "equal opportunity clause" provides in part: "(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, creed, color, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship."

III. In 1960, the city of Milwaukee had a population of 741,324, of whom 62,458 were Negro. The estimated present population of the city of Milwaukee is 776,000, of whom 87,000 are estimated to be Negro. Respondent's present workforce is approximately 6,800, of whom 32 (less than one-half of 1 percent) are Negro. Respondent's plant is located approximately 2 miles from the nearest Negro residential community. Public transportation is available to the door, and the facility is located near a major bus transfer point.

IV. Since March 6, 1961, Respondent has violated, and continues to violate its contracts with agencies and departments of the Federal Government by discriminating against employees and applicants for employment because of their race or color, and by failing or refusing to take affirmative action to ensure that persons are recruited, hired, and treated during employment without regard to their race or color. These violations include:

(a) Respondent, as its primary source of employees, relies and for many years has relied upon the referral by its employees of their friends and relatives and upon its reputation as a desirable employer. Respondent disseminates and for many years has disseminated information about job opportunities almost entirely through its employees. Since Respondent's workforce is and for many years has been over 99 percent white, knowledge of new job opportunities is and has been almost entirely limited to the white community, giving the white community a preference to and denying Negro persons equal access to jobs at Respondent's facility;

(b) Respondent gives, and for many years, has given preference to relatives and friends of present employees in the filling of job vacancies, and as over 99 percent of its workforce is and has been drawn from the white community, Respondent thereby engages in a hiring practice which has the effect of discriminating against Negro persons;

(c) Respondent utilizes hiring standards, including preemployment tests, which have the effect of discriminating against Negro applicants for employment because of their race or color; and

(d) Respondent has failed or has refused to utilize employment sources which primarily serve the Negro community and to take other action to dispel its image in the Negro community as an employer which discriminates against Negro persons on the basis of race and color, which image discourages the referral of Negro applicants to and discourages Negro persons from applying for employment with Respondent and thereby denies to them equal employment opportunity with Respondent.

V. The Government has made reasonable efforts to secure compliance by the Respondent with the "equal opportunity clause" by methods of conference, conciliation, mediation, and persuasion. These reasonable efforts included numerous conciliation meetings between Respondent and the Department of Defense since 1964, including a conference on April 4, 1968, in Washington, D.C., attended by Respondent officials and representatives of the Office of Federal Contract Compliance and the Department of Defense. At that time, as in the past, Respondent failed and refused to take adequate steps to eliminate the conditions described in paragraph IV of this notice.

Wherefore, the Secretary of Labor has designated as the Panel to hear and determine this matter in accordance with the rules of procedure heretofore referred to.

Professor Bernard Meltzer, University of Chicago Law School, 1121 East 60th Street, Chicago, Ill. 60637, Chairman.

Mr. Boyd Leedom, Trial Examiner, National Labor Relations Board, Room 419, 1717 Pennsylvania Avenue NW., Washington, D.C. 20570.

Mr. Philip G. Marshall, Attorney at Law, 110 East Wisconsin Avenue, Milwaukee, Wis. 53203.

and to recommend to the Director whether,

(a) Pursuant to section 209(a) (5) of Executive Order 11246, the Director shall cause to be terminated all existing contracts or any portion or portions thereof which the Respondent holds with agencies and departments of the Federal Government and all subcontracts as defined in 41 CFR 60-1.2(k); and

(b) Pursuant to sections 202 and 209 (a) (6) of Executive Order 11246 and 41 CFR 60-1.27(b), the Director shall declare the Respondent ineligible for further contracts, subcontracts, and extensions of existing contracts or subcontracts until the Respondent has satisfied the Director that it has established and will carry out personnel and employment policies in compliance with the provisions of Executive Order 11246; and

(c) Other appropriate action authorized by section 209 of Executive Order 11246 shall be taken.

The Hearing will be held at 9:30 a.m., on August 20, 1968, in Room 498, the U.S. Courthouse and Federal Building, 517 East Wisconsin Avenue, Milwaukee, Wis.

This notice has been signed and issued pursuant to 41 CFR 60-1.26(b) and

60-1.27 at Washington, D.C., this 16th day of July 1968.

WARD MCCREEDY,
Acting Director, Office of
Federal Contract Compliance.

EXHIBIT A

During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

(6) In the event of the contractor's non-compliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or

purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance: *Provided, however*, That in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States. Executive Order 11246, § 202 (30 F.R. 12319 (1965)).

[F.R. Doc. 68-8726; Filed, July 22, 1968; 8:46 a.m.]

Wage and Hour Division CERTIFICATES AUTHORIZING EMPLOYMENT OF LEARNERS AT SPECIAL MINIMUM WAGES

Notice is hereby given that pursuant to section 14 of the Fair Labor Standards Act of 1938 (52 Stat. 1060, as amended, 29 U.S.C. 201 et seq.) and Administrative Order No. 595 (31 F.R. 12981) the firms listed in this notice have been issued special certificates authorizing the employment of learners at hourly wage rates lower than the minimum wage rates otherwise applicable under section 6 of the act. For each certificate, the effective and expiration dates, number or proportion of learners and the principal product manufactured by the establishment are as indicated. Conditions on occupations, wage rates, and learning periods which are provided in certificates issued under the supplemental industry regulations cited in the captions below are as established in those regulations; such conditions in certificates not issued under the supplemental industry regulations are as listed.

Apparel Industry Learner Regulations (29 CFR 522.1 to 522.9, as amended and 29 CFR 522.20 to 522.25, as amended).

The following normal labor turnover certificates authorize 10 percent of the total number of factory production workers except as otherwise indicated.

Altamont Shirt Corp., Altamont, Tenn.; 6-18-68 to 6-17-69 (men's and boys' sport shirts, women's and girls' blouses).

Angelica Uniform Co., Winfield, Mo.; 6-11-68 to 6-10-69; 10 learners (men's uniform coats).

Angelica Uniform Co., Summersville, Mo.; 6-19-68 to 6-18-69 (men's and women's work clothes).

Carolina Girls Wear, Inc., St. George, S.C.; 6-18-68 to 6-17-69 (children's dresses).

Cookeville Shirt Co., Watertown, Tenn.; 6-16-68 to 6-15-69 (ladies' blouses).

Devil Dog Manufacturing Co., Inc., Zebulon, N.C.; 6-25-68 to 6-24-69 (children's dungarees and sportswear, ladies' slacks).

Forest Hills Sportswear Co., Lawrenceburg, Tenn.; 6-25-68 to 6-24-69 (men's dress trousers).

Freeland Dress Co., Inc., Freeland, Pa.; 6-21-68 to 6-20-69; 5 learners (girls' dresses).

Freeland Manufacturing Co., Freeland, Pa.; 6-19-68 to 6-18-69 (men's and boys' outerwear jackets).

Hy-Grade Pants Co., Inc., Taylor, Pa.; 6-12-68 to 6-11-69 (men's trousers).

Lake Butler Apparel Co., Lake Butler, Fla.; 6-24-68 to 6-23-69 (men's and boys' slacks).

Lakeland Manufacturing Co., Sheboygan, Wis.; 6-29-68 to 6-28-69 (men's and boys' outerwear jackets).

Lance Garment Corp., Red Bay, Ala.; 6-24-68 to 6-23-69 (boys' dress and sport shirts, ladies' blouses).

Lillingston Garment Co., Lillingston, N.C.; 6-20-68 to 6-19-69 (sport shirts).

Louisburg Sportswear Co., Louisburg, N.C.; 6-13-68 to 6-12-69 (men's and boys' shorts).

Monroe Industries, Inc., Tellico Plains, Tenn.; 6-15-68 to 6-14-69 (women's and girls' blouses).

Quality Manufacturing Co., Point Pleasant, W. Va.; 6-16-68 to 6-15-69; 10 learners (ladies' dresses).

Henry I. Siegel Co., Inc., Johnson City, Tenn.; 6-13-68 to 6-12-69 (men's and boys' pants).

Van Heusen, Barnesboro, Pa.; 6-26-68 to 6-25-69 (sport shirts).

Williamson-Dickie Manufacturing Co., Tyler, Tex.; 6-20-68 to 6-19-69 (men's and boys' pants).

The following plant expansion certificates were issued authorizing the number of learners indicated.

Blanchard Shirt Co., Inc., Mountain View, Ark.; 6-13-68 to 12-12-68; 50 learners (men's dress shirts).

Oberman Manufacturing Co., Memphis, Tenn.; 6-10-68 to 12-9-68; 35 learners (men's and ladies' jeans).

Ring Manufacturing Co., Gainesville, Fla.; 6-10-68 to 12-9-68; 10 learners (men's outerwear coats).

Rose Hill Textiles, Inc., Rose Hill, N.C.; 6-13-68 to 12-12-68; 40 learners (children's pants).

Henry I. Siegel Co., Inc., Johnson City, Tenn.; 6-13-68 to 12-12-68; 80 learners (men's and boys' pants).

Glove Industry Learner Regulations (29 CFR 522.1 to 522.9, as amended and 29 CFR 522.60 to 522.65, as amended).

Ideal Glove Co., Maben, Miss.; 6-15-68 to 6-14-69; 5 learners for normal labor turnover purposes (work gloves).

Piedmont Glove Manufacturing Co., Inc., Gaffney, S.C.; 6-14-68 to 6-13-69; 10 learners for normal labor turnover purposes (work gloves).

Southern Glove Manufacturing Co., Inc., Conover, N.C.; 6-23-68 to 6-22-69; 10 percent of the total number of machine stitchers for normal labor turnover purposes (work gloves).

Hosiery Industry Learner Regulations (29 CFR 522.1 to 522.9, as amended and 29 CFR 522.40 to 522.43, as amended).

Van Raalte Co., Inc., Blue Ridge, Ga.; 6-13-68 to 12-12-68; 10 learners for plant expansion purposes (seamless).

Knitted Wear Industry Learner Regulations (29 CFR 522.1 to 522.9, as amended and 29 CFR 522.30 to 522.35, as amended).

J. E. Morgan Knitting Mills, Inc., Tamaqua, Pa.; 6-11-68 to 6-10-69; 5 percent of the total number of factory production workers for normal labor turnover purposes (men's and boys' underwear).

Regulations Applicable to the Employment of Learners (29 CFR 522.1 to 522.9, as amended).

The following learner certificates were issued in Puerto Rico to the companies hereinafter named. The effective and expiration dates, learner rates, occupations, learning periods, and the number of learners authorized to be employed, are indicated.

Bali Arecibo, Inc., Arecibo, P.R.; 4-2-68 to 4-1-69; 15 learners for normal labor turnover purposes in the occupation of sewing machine operating, for a learning period of 320 hours at the rate of \$1 an hour (embroidery on ladies' underwear).

Bonita Uniforms Corp., Juncos, P.R.; 4-29-68 to 4-28-69; 11 learners for normal labor turnover purposes in the occupation of sewing machine operating, for a learning period of 320 hours at the rate of \$1.13 an hour (nurses' uniforms).

Boqueron Manufacturing Corp., Cabo Rojo, P.R.; 3-25-68 to 9-24-68; 46 learners for plant expansion purposes in the occupations of seaming, preboarding, inspecting, each for a learning period of 240 hours at the rate of 87 cents an hour (effective 4-2-68) each for a learning period of 240 hours at the rate of \$1.01 an hour (ladies' seamless hosiery).

Boqueron Manufacturing Corp., Cabo Rojo, P.R.; 3-25-68 to 3-24-69; 14 learners for normal labor turnover purposes in the occupations of seaming, preboarding, inspecting, each for a learning period of 240 hours at the rate of 87 cents an hour (effective 4-2-68) each for a learning period of 240 hours at the rate of \$1.01 an hour (ladies' seamless hosiery).

Caribbean Embroidery Inc., Santa Isabel, P.R.; 4-2-68 to 7-31-68; 15 learners for plant expansion purposes in the occupation of sewing machine operating, for a learning period of 320 hours at the rate of \$1 an hour (embroidery on ladies' underwear) (replacement certificate).

Coamo Glove Corp., Coamo, P.R.; 3-25-68 to 3-24-69; 14 learners for normal labor turnover purposes in the occupation of sewing machine operating, for a learning period of 480 hours at the rates of 90 cents an hour for the first 240 hours and \$1.03 an hour for the remaining 240 hours (effective 4-2-68) for a learning period of 480 hours at the rates of \$1.07 an hour for the first 240 hours and \$1.20 an hour for the remaining 240 hours (ladies' nylon gloves).

Laric Manufacturing Corp., Luquillo, P.R.; 3-25-68 to 9-24-68; 15 learners for plant expansion purposes in the occupation of sewing machine operating, for a learning period of 320 hours at the rate of \$1.21 an hour (garter belts, girdles, and brassieres).

Maricao Mills, Inc., Maricao, P.R.; 4-24-68 to 4-23-69; 10 learners for normal labor turnover purposes in the occupation of sewing machine operating, for a learning period of 320 hours at the rate of \$1 an hour (men's and boys' tee shirts).

Syl Bee Manufacturing Co., Inc., No. 1, Aguas Buenas, P.R.; 5-6-68 to 5-5-69; 11 learners for normal labor turnover purposes in the occupation of sewing machine operating, for a learning period of 320 hours at the rate of \$1.21 an hour (brassieres).

Syl Bee Manufacturing Co., Inc., No. 2, Aguas Buenas, P.R.; 5-6-68 to 5-5-69; 5 learners for normal labor turnover purposes in the occupation of sewing machine operating, for a learning period of 320 hours at the rate of \$1.21 an hour (brassieres).

TPM Division, General Cigar Co., Inc., Caguas, P.R.; 4-24-68 to 4-23-69; 18 learners for normal labor turnover purposes in the occupation of sorting-sizing, for a learning period of 240 hours at the rate of \$1.05 an hour (tobacco).

Uniforms, Inc., Cayey, P.R.; 4-2-68 to 4-1-69; 12 learners for normal labor turnover purposes in the occupation of sewing machine operating, for a learning period of 320 hours at the rate of \$1.13 an hour (nurses' uniforms and smocks).

Uniforms, Inc., Cayey, P.R.; 4-2-68 to 10-1-68; 60 learners for plant expansion purposes in the occupation of sewing machine operating, for a learning period of 320 hours

at the rate of \$1.13 an hour (nurses' uniforms and smocks).

Utuaado Glove Corp., Utuaado, P.R.; 3-18-68 to 9-17-68; 33 learners for plant expansion purposes in the occupation of machine stitching, for a learning period of 480 hours at the rates of 90 cents an hour for the first 240 hours and \$1.03 an hour for the remaining 240 hours (effective 4-2-68) for a learning period of 480 hours at the rates of \$1.07 an hour for the first 240 hours and \$1.20 an hour for the remaining 240 hours (ladies' fabric and leather gloves).

W. O. Tobacco Corp., Caguas, P.R.; 4-24-68 to 4-23-69; 21 learners for normal labor turnover purposes in the occupation of sorting-sizing, for a learning period of 240 hours at the rate of \$1.05 an hour (tobacco).

Each learner certificate has been issued upon the representations of the employer, which, among other things, were that employment of learners at special minimum wages is necessary in order to prevent curtailment of opportunities for employment, and that experienced workers for the learner occupations are not available. Any person aggrieved by the issuance of any of these certificates may seek a review or reconsideration thereof within 15 days after publication of this notice in the FEDERAL REGISTER pursuant to the provisions of 29 CFR 522.9. The certificates may be annulled or withdrawn, as indicated therein, in the manner provided in 29 CFR Part 523.

Signed at Washington, D.C., this 12th day of July 1968.

ROBERT G. GRONEWALD,
Authorized Representative
of the Administrator.

[F.R. Doc. 68-8709; Filed, July 22, 1968; 8:45 a.m.]

INTERSTATE COMMERCE COMMISSION

[Notice 645]

MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

JULY 18, 1968.

The following are notices of filing of applications for temporary authority under section 210a(a) of the Interstate Commerce Act provided for under the new rules of Ex Parte No. MC-67 (49 CFR Part 340), published in the FEDERAL REGISTER, issue of April 27, 1965, effective July 1, 1965. These rules provide that protests to the granting of an application must be filed with the field official named in the FEDERAL REGISTER publication, within 15 calendar days after the date of notice of the filing of the application is published in the FEDERAL REGISTER. One copy of such protest must be served on the applicant, or its authorized representative, if any, and the protests must certify that such service has been made. The protests must be specific as to the service which such protestant can and will offer, and must consist of a signed original and six copies.

A copy of the application is on file, and can be examined at the Office of the Secretary, Interstate Commerce Commission, Washington, D.C., and also in the field office to which protests are to be transmitted.

MOTOR CARRIERS OF PROPERTY

No. MC 43442 (Sub-No. 20 TA), filed July 5, 1968. Applicant: TRANSPORTATION SERVICE, INC., 2021 South Schaefer, Detroit, Mich. 48217. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, classes A and B explosives, household goods as defined by the Commission, commodities in bulk and those requiring special equipment), serving the plant-site, Goodyear Tire and Rubber Co. at or near Logan, Ohio, as an off-route point in connection with carriers regular-route operations to and from Lancaster, Ohio, for 180 days. NOTE: Applicant intends to tack with MC 43442 at Lancaster and may interline at Columbus, Ohio. Supporting shippers: The Goodyear Tire & Rubber Co., Akron, Ohio 44316, and Cadillac Motor Car Division, General Motors Corp., Detroit, Mich. 48232. Send protests to: District Supervisor Gerald J. Davis, Bureau of Operations, Interstate Commerce Commission, 1110 Broderick Tower, Detroit, Mich. 48226.

No. MC 52579 (Sub-No. 109 TA), filed July 5, 1968. Applicant: GILBERT CARRIER CORP., 1 Gilbert Drive, Secaucus, N.J. 07094. Applicant's representative: William Abel (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Wearing apparel*, loose, on hangers, from Decatur, Ill., to points in the New York, N.Y., commercial zone, for 150 days. Supporting shipper: Associated Sportswear Cos., 321 Broad Avenue, Ridgefield, N.J. 07657. Send protests to: District Supervisor W. J. Grossmann, Bureau of Operations, Interstate Commerce Commission, 970 Broad Street, Newark, N.J. 07102.

No. MC 106278 (Sub-No. 29 TA), filed July 5, 1968. Applicant: E. B. LAW AND SON, INC., Post Office Box 1381, 300 South Eighth Street, Las Cruces, N. Mex. 88001. Applicant's representative: William J. Lipman, 1824 R Street NW., Washington, D.C. 20009. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Sulphuric acid*, in bulk, in tank vehicles, from El Paso, Tex., to points in New Mexico and Arizona, for 150 days. Supporting shippers: Chemical Producers Corp., 6854 Market Avenue, El Paso, Tex. 79915. Send protests to: Wm. R. Murdoch, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 10515 U.S. Courthouse and Post Office Building, 500 Gold Avenue SW., Albuquerque, N. Mex. 87101.

No. MC 114734 (Sub-No. 18 TA), filed July 3, 1968. Applicant: D AND J TRANSFER CO., Sherburn, Minn. 56171. Applicant's representative: Richard A. Peterson, 1201 J Street, Post Office Box 806, Lincoln, Nebr. 68501. Authority

sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products, meat byproducts and articles distributed by meat packinghouses* (except hides and commodities, in bulk), (a) from Schuyler, Nebr.; Sioux Falls, S. Dak.; Spencer, Iowa; and Minneapolis, Minn.; to Hartley, Iowa; and, (b) from Hartley, Iowa, to points in Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Montana, North Dakota, Ohio, South Dakota, Wisconsin, and Wyoming; under continuing contract with Spencer Packing Co., Spencer, Iowa, for 180 days. Supporting shipper: Spencer Packing Co., Spencer, Iowa. Send protests to: A. N. Spath, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 448 Federal Building and U.S. Courthouse, 110 South Fourth Street, Minneapolis, Minn. 55401.

No. MC 115092 (Sub-No. 5 TA), filed July 5, 1968. Applicant: WEISS TRUCKING, INC., Post Office Box O, Vernal, Utah 84078. Applicant's representative: William S. Richards, Walker Bank Building, Salt Lake City, Utah 84111. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Crude oil*, from points in Moffat and Rio Blanco Counties, Colo., to location at or near Rangely, Colo., for subsequent movement out-of-state, for 180 days. Supporting shipper: Pan American Petroleum Corp., Security Life Building, Denver, Colo. 80202. Send protests to: John T. Vaughan, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 6201 Federal Building, Salt Lake City, Utah 84111.

No. MC 116014 (Sub-No. 42 TA), filed July 3, 1968. Applicant: OLIVER TRUCKING COMPANY, INC., Post Office Box 53, Lexington Road, Winchester, Ky. 40391. Applicant's representative: Louis J. Amato, Central Building, 1033 State Street, Bowling Green, Ky. 42101. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Equipment, materials, and accessories used in the bailing of unmanufactured tobacco*, (1) between Ripley, Ohio, Madison, Ind., Huntington, W. Va., Weston, Mo., and points in Georgia and Florida, (2) between points and places named in (1) above on the one hand, and, on the other, points in North Carolina, South Carolina, Virginia, Kentucky, and Tennessee, for 180 days. NOTE: Applicant intends to tack this authority with its other operating authority. Supporting shipper: Alex Parker, Jr., President, Commodity Balers, Inc., Post Office Box 428, Maysville, Ky. 41056. Send protests to: R. W. Schneider, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 203 Featherston Building, 177 North Upper Street, Lexington, Ky.

No. MC 116073 (Sub-No. 81 TA), filed July 5, 1968. Applicant: BARRETT MOBILE HOME TRANSPORT, INC., 1825 Main Avenue, Box 601, Moorhead, Minn. 56560. Applicant's representative: John C. Barrett, 1825 Main Avenue, Moorhead, Minn. 56560. Authority sought to operate as a *common carrier*, by motor

vehicle, over irregular routes, transporting: *Trailers* designed to be drawn by passenger automobiles and *buildings*, complete or in sections, in initial movement, from Boise, Idaho, to points in Oregon, Washington, Nevada, Montana, Utah, Wyoming, and Idaho, for 180 days. Supporting shippers: Guerdon Industries, Inc., Post Office Box 4188, Boise, Idaho 83705; Buddy Mobile Homes, Post Office Box 4446, Boise, Idaho 83705. Send protests to: J. H. Ambs, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 1621 South University Drive, Room 213, Fargo, N. Dak. 58102.

No. MC 116073 (Sub-No. 82 TA), filed July 5, 1968. Applicant: BARRETT MOBILE HOME TRANSPORT, INC., 1825 Main Avenue, Box 601, Moorhead, Minn. 56560. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Trailers* designed to be drawn by passenger automobiles and *sectional buildings*, in initial movement, from Guttenberg, Iowa, to points in Illinois, Wisconsin, Indiana, Michigan, Missouri, Kansas, Nebraska, North Dakota, South Dakota, and Montana, for 180 days. Supporting shipper: Hilton Homes, Post Office Box 549, Guttenberg, Iowa 52052. Send protests to: J. H. Ambs, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 1621 South University Drive, Room 213, Fargo, N. Dak. 58102.

No. MC 120371 (Sub-No. 5 TA), filed July 3, 1968. Applicant: CENTRAL OKLAHOMA FREIGHT LINES INC., 207 North Cincinnati Avenue, Tulsa, Okla. 74103. Applicant's representative: Rufus H. Lawson, Box 75125, Oklahoma City, Okla. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities*, between Oklahoma City and Tulsa, Okla., over U.S. Highway 62, to Henryetta, Okla.; thence over U.S. Highway 75 to Tulsa, serving the intermediate points of Meeker, Prague, Paden, Boley, Okemah, Pharoah, and Henryetta, Okla.; no service authorized between Oklahoma City and Tulsa, Okla., no service authorized from Tulsa to Henryetta, Okla., between Oklahoma City and Tulsa, Okla., over Interstate Highway 40 and U.S. Highway 270 to U.S. Highway 75, serving the off-route points of Wetumka, Weleetka, and Henryetta, Okla., for 150 days. NOTE: Authority to interline with other carriers at Tulsa and Oklahoma City, Okla. Supporting shipper: There are approximately 11 statements of support attached to the application, which may be examined here at the Interstate Commerce Commission in Washington, D.C., or copies thereof which may be examined at the field office named below. Send protests to: C. L. Phillips, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 350, American General Building, 210 Northwest Sixth Street, Oklahoma City, Okla. 73102.

No. MC 124245 (Sub-No. 12 TA), filed July 3, 1968. Applicant: ALBERT V. MEILSTRUP, doing business as ACE REFRIGERATED TRUCKING SERVICE, 219 East Tutt Street, South Bend, Ind. 46618. Applicant's representative: Wm. L. Carney, 105 East Jennings Avenue, South Bend, Ind. 46614. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Commodities* having prior or subsequent movement by railroad or motor carrier, from South Bend and Mishawaka, Ind., to points in Elkhart County, Ind., and St. Joseph County, Ind., for 180 days. Supporting shippers: There are approximately 10 statements of support attached to the application, which may be examined here at the Washington, D.C., or copies thereof which may be examined at the field office named below. Send protests to: District Supervisor J. H. Gray, Bureau of Operations, Interstate Commerce Commission, Room 204, 345 West Wayne Street, Fort Wayne, Ind. 46802.

No. MC 127204 (Sub-No. 6 TA), filed July 5, 1968. Applicant: KINDESVATER, INC., Fort Dodge Road, Dodge City, Kans. 67801. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Feed and feed ingredients*, from Garden City, Kans., to points in Arkansas, Colorado, Missouri, Nebraska, Oklahoma, and Texas, for 180 days. Supporting shippers: Producers Packing Co., Box 957, Garden City, Kans. 67846; The Garden City Cooperative, Equity Exchange, Post Office Box 838, Garden City, Kans. 67846. Send protests to: M. E. Taylor, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 906 Schweiter Building, Wichita, Kans. 67202.

No. MC 133011 TA, filed July 5, 1968. Applicant: PHILIP P. RICCI AND JAMES E. RICCI, doing business as P. RICCI & SONS, 3 Neck Road, Haverhill, Mass. 01830. Applicant's representative: John F. Curley, 33 Broad Street, Boston, Mass. 02109. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Lined fleshings, green salted cattle trimmings, and chrome trimmings*, in bulk, from Peabody, Mass., to Gowanda, N.Y., for 180 days. Supporting shipper: Peter Cooper Corporations, Gowanda, N.Y. 14070. Send protests to: Max Gorenstein, District Supervisor, Interstate Commerce Commission, Bureau of Operations, John F. Kennedy Building, Room 2211B, Government Center, Boston, Mass. 02203.

By the Commission.

[SEAL] H. NEIL GARSON,
Secretary.

[F.R. Doc. 68-8750; Filed, July 22, 1968; 8:48 a.m.]

[Notice 652]

MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

JULY 18, 1968.

The following are notices of filing of applications for temporary authority under section 210a(a) of the Interstate

Commerce Act provided for under the new rules of Ex Parte No. MC-67 (49 CFR Part 340) published in the FEDERAL REGISTER, issue of April 27, 1965, effective July 1, 1965. These rules provide that protests to the granting of an application must be filed with the field official named in the FEDERAL REGISTER publication, within 15 calendar days after the date of notice of the filing of the application is published in the FEDERAL REGISTER. One copy of such protest must be served on the applicant, or its authorized representative, if any, and the protests must certify that such service has been made. The protests must be specific as to the service which such protestant can and will offer, and must consist of a signed original and six copies.

A copy of the application is on file, and can be examined at the Office of the Secretary, Interstate Commerce Commission, Washington, D.C., and also in the field office to which protests are to be transmitted.

MOTOR CARRIERS OF PROPERTY

No. MC 200 (Sub-No. 225 TA), filed July 15, 1968. Applicant: RISS & COMPANY, INC., 903 Grand Avenue, Post Office Box 2809, 64142, Kansas City, Mo. 64106. Applicant's representative: Ivan E. Moody, 903 Grand Avenue, Kansas City, Mo. 64106. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Classes A and B explosives, ordnance supplies, and quartermaster stores* (except household goods as defined by the Commission, and except commodities in bulk) moving on government bills of lading; (1) between points in Colorado, Nebraska, Kansas, Oklahoma, Texas, Iowa, Missouri, Illinois, Indiana, Kentucky, Ohio, Pennsylvania, West Virginia, Virginia, Maryland, Delaware, New Jersey, New York, Massachusetts, Connecticut, Rhode Island, and District of Columbia; and (2) between points in the States shown in part (1) and points in California, Oregon, Washington, Nevada, and Utah, for 180 days. NOTE: Applicant states it proposes to interline at Denver, Colo., in the event that part (2) of the authority sought herein above is not granted. Supporting shipper: Department of Defense, Washington, D.C. Send protests to: Vernon V. Coble, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 911 Walnut Street, Kansas City, Mo. 64106.

No. MC 49304 (Sub-No. 21 TA), filed July 16, 1968. Applicant: BOWMAN TRUCKING COMPANY, INC., Post Office Box 6, Stephens City, Va. 22655. Applicant's representative: Eston H. Alt, Post Office Box 81, Winchester, Va. 22601. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Soft drinks*, from Winchester, Va., to Hagerstown, Md., and *empty soft drink containers*, from Hagerstown, Md., to Winchester, Va., for 150 days. Supporting shipper: Royal Crown Bottling Co. of Winchester, Inc., Industrial Park, Post Office Box 806, Winchester, Va. 22601. Send protests to: Robert D. Caldwell, District Supervisor, Interstate Com-

merce Commission, Bureau of Operations, Room 1220, 12th and Constitution Avenue NW., Washington, D.C. 20423.

No. MC 108207 (Sub-No. 244 TA), filed July 16, 1968. Applicant: FROZEN FOOD EXPRESS, 318 Cadiz Street 75207, Post Office Box 5888, Dallas, Tex. 75222. Applicant's representative: J. B. Ham (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Reproduction film and printing paper*, in vehicles equipped with mechanical refrigeration, from New Orleans, La., to points in California for 180 days. NOTE: Applicant does not intend to tack with existing authority. Supporting shipper: Kalvar Corp., 907 South Broad Street, New Orleans, La. 70125. Send protests to: E. K. Willis, Jr., District Supervisor, Interstate Commerce Commission, Bureau of Operations, 513 Thomas Building, 1314 Wood Street, Dallas, Tex. 75202.

No. MC 116886 (Sub-No. 37 TA), (Correction), filed June 11, 1968, published FEDERAL REGISTER issue of June 19, 1968, and republished as corrected this issue. Applicant: HOWELL'S MOTOR FREIGHT, INCORPORATED, 2210 Winston Avenue SW., Post Office Box 1529, Roanoke, Va. 24014. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Candy, confectionery, chocolate, and related articles, and premiums*, in refrigerated equipment, between Roanoke, Va., and points within 5 miles thereof, and points in Kentucky, Tennessee, West Virginia, Virginia, North Carolina, South Carolina, Georgia, and Hamilton County, Ohio, for 150 days. NOTE: Applicant proposes to interline shipments for Alabama and Louisiana at Atlanta, Ga., and Charlotte, N.C. Supporting shipper: Old Dominion Candies, Inc., Salem, Va. 24143. Send protests to: George S. Hales, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 215 Campbell Avenue SW., Roanoke, Va. 24011.

No. MC 125497 (Sub-No. 2 TA), filed July 15, 1968. Applicant: L. WOODS & SON TRANSPORT LTD., 5005 Irwin Avenue, LaSalle, Quebec, Canada. Applicant's representative: S. Harrison Kahn, Suite 733, Investment Building, Washington, D.C. 20005. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Pig iron*, in bulk, in dump vehicles, from Sorel, Quebec, Canada, to Barre, Gilbertville, Indiana Orchard, Springfield, Turner Falls, Beverley, and Fitchburg, Mass.; Lewiston, Maine; Lacombe, N.H.; Hudson Falls, Champlain, Oriskany (Utica), Plattsburgh, Schenectady, Watervliet, N.Y.; and Swanton, Vt., for 180 days. Supporting shipper: Quebec Iron and Titanium Corp., Post Office Box 40, Sorel, Quebec, Canada. Send protests to: Martin P. Monaghan, Jr., District Supervisor, Interstate Commerce Commission, Bureau of Operations, 52 State Street, Room 5, Montpelier, Vt. 05602.

No. MC 128375 (Sub-No. 21 TA), filed July 15, 1968. Applicant: CRETE CARRIER CORPORATION, 15th and Main, Post Office Box 249, Crete, Nebr. 68333.

Applicant's representative: Richard C. Peterson, Post Office Box 806, Lincoln, Nebr. 68501. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Construction materials, contractors equipment, engines, hoists, forms, equipments, and supplies*, between Marietta, Ohio; Newburgh, Ind.; Scott, and Barling, Ark.; Benton, Ala.; Whiskey Bay Bridge job-site, Louisiana; the plantsite of the Dravo Corp. at Neville Island, Pa.; and Black River Falls job-site, Wisconsin, on the one hand, and, on the other, points in Alabama, Arizona, Arkansas, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Vermont, Virginia, West Virginia, Wisconsin, Wyoming, and the District of Columbia, for 180 days. Supporting shipper: Dravo Corp., Pittsburgh, Pa. 15225. Send protests to: District Supervisor Max H. Johnston, Interstate Commerce Commission, Bureau of Operations, 315 Post Office Building, Lincoln, Nebr. 68508.

No. MC 133025 (Sub-No. 1 TA), filed July 15, 1968. Applicant: H. J. FALKENSTEIN AND S. H. WINGFIELD, JR., a partnership, doing business as WESTERN MEAT TRANSPORT CO., Eugene, Oreg. 97401. Applicant's representative: Earle V. White, 2400 Southwest Fourth Avenue, Portland, Oreg. 97201. Authority

sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meats* (fresh, frozen, or smoked) and *lard and shortening*, in mechanically refrigerated vehicles, from Eugene, Oreg., to points in Marion, Polk, Benton, Lincoln, Linn, Lane, Douglas, Coos, Curry, Josephine, Jackson, Klamath, and Deschutes Counties, Oreg., for 150 days. Supporting shippers: John Morrell & Co., Sioux Falls, S. Dak.; Wilson Meat Co., 27th and Y Streets, Omaha, Nebr. 68107. Send protests to: A. E. Odums, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 450 Multnomah Building, Portland, Oreg. 97204.

By the Commission.

[SEAL]

H. NEIL GARSON,
Secretary.

[F.R. Doc. 68-8751; Filed, July 22, 1968;
8:48 a.m.]

[Notice 175]

MOTOR CARRIER TRANSFER PROCEEDINGS

JULY 18, 1968.

Synopses of orders entered pursuant to section 212(b) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 1132), appear below:

As provided in the Commission's special rules of practice any interested person may file a petition seeking reconsideration of the following numbered proceedings within 20 days from the date

of publication of this notice. Pursuant to section 17(8) of the Interstate Commerce Act, the filing of such a petition will postpone the effective date of the order in that proceeding pending its disposition. The matters relied upon by petitioners must be specified in their petitions with particularity.

No. MC-FC-35419. By order of July 16, 1968, the Transfer Board approved the lease to E. E. Hart, doing business as Hart Trucking, Post Office Box 15, Stephenson, Va. 22656, of a portion of certificate No. MC-45597, issued March 11, 1941, to Mabel Lynn Michael, doing business as Michael's Transfer, Post Office Box 565, Winchester, Va. 22601, authorizing the transportation of: Fruit products, from Winchester and Strasburg, Va., and Martinsburg and Inwood, W. Va., to Washington, D.C., and points as specified in Maryland, Pennsylvania, Connecticut, Rhode Island, Massachusetts, West Virginia, Delaware, Kentucky, those in the New York, N.Y., commercial zone, and those in North Carolina and Virginia; feed, fertilizer, lumber, and spray materials, from Baltimore, Md., to Winchester, Pa., and Martinsburg, W. Va., oil and grease, from Pittsburgh, Pa., to Winchester and Berryville, Va., and glass containers, from Washington, Pa., Fairmont, Grafton, and Huntington, W. Va., to Winchester, Va., and Martinsburg, W. Va.

[SEAL]

H. NEIL GARSON,
Secretary.

[F.R. Doc. 68-8752; Filed, July 22, 1968;
8:48 a.m.]

CUMULATIVE LIST OF PARTS AFFECTED—JULY

The following numerical guide is a list of the parts of each title of the Code of Federal Regulations affected by documents published to date during July.

3 CFR

PROCLAMATIONS:

Aug. 3, 1901 (see PLO 4461) 9616
3857 10003

EXECUTIVE ORDERS:

May 4, 1907:
See PLO 4470 9709
Revoked in part by PLO
4497 10400
July 7, 1910 (revoked in part
by PLO 4479) 10092
May 27, 1913 (revoked in part
by PLO 4468) 9708
March 21, 1914 (revoked in
part by PLO 4468) 9708
1664 (revoked by PLO 4466) 9618
3797-A (see PLO 4470) 9709
4806 (revoked in part by PLO
4501) 10401
6039 (revoked in part by PLO
4495) 10399
8579 (see PLO 4474) 9822

5 CFR

213 9581, 9645, 9865, 10133, 10183
550 9703

7 CFR

1 10273
17 10005
52 9582
53 9584
58 10385
81 10083
215 10083
301 9749
9751, 9755, 10273, 10275, 10276
354 10084
401 10277
719 9755
728 9584
777 10386
778 10183
811 9945
814 9946
842 9586, 10277
905 9592, 9756
908 9703, 9947, 10277, 10387
910 9592, 9757, 10084, 10387
917 9948
919 10388
944 9593
946 9756

7 CFR—Continued

947 9758
948 9645
1015 9646
1032 10278
1033 10133
1036 9646
1044 9647
1050 9647
1062 9647
1063 9647
1068 9648, 10278
1070 9647
1078 9647
1079 9647
1090 10278
1098 10279
1134 10133
1205 9703, 9874
1421 9948, 9951
1443 10313
1464 9759, 9809
1479 10184
1483 10185, 10186
1488 9593, 9594, 10085
1601 10186, 10279

7 CFR—Continued

PROPOSED RULES:

26	9825, 10284
51	10146
52	9711
319	10011
725	9619
730	10093
906	10210
932	10011
948	10102
965	10211
991	10211
1001	10403
1002	10403
1003	10403
1004	10284, 10403
1009	10102
1015	10403
1016	10403
1030	10104, 10346
1032	10105
1033	9662
1036	10102
1041	10102
1044	10102
1047	10104, 10346
1049	10104, 10346
1050	10105, 10108
1062	10105
1063	10105, 10147
1067	10105
1068	10105
1070	10105
1076	10105
1078	10105
1079	10105
1090	9662
1098	9662
1099	10105
1202	10346

9 CFR

56	10005
74	10006
78	10201
85	10280
97	10085
307	10085
340	10085
355	10086

10 CFR

50	9704
70	9809

12 CFR

1	9596
8	9598
9	9649
208	9865
217	9873
250	9865
265	10330
523	10331
640	9873

PROPOSED RULES:

561	9675
-----	------

13 CFR

101	9649
121	9651

14 CFR

39	9598, 9706, 9810, 9874, 10133, 10280, 10388, 10389
----	--

Page

14 CFR—Continued

71	9599, 9706, 9810, 9875, 9876, 10202-10204, 10280, 10281, 10443, 10444
73	10204, 10444
75	9707, 9810, 10204, 10205
97	9760, 9811, 10318
121	10329
127	10329
137	9600
241	9651
298	9764
310	10444
389	10445

PROPOSED RULES:

25	10361
39	9712, 9905
67	9905
71	9620, 9621, 9713, 9826, 9827, 9906, 9907, 10212, 10213, 10459, 10460
73	9827
75	9622, 10460
211	10108
302	10108
389	9828
399	10108

15 CFR

0	9765
368	10006
370	9602
371	9603
372	9602
373	9604, 9652
384	10331
385	9604, 10006

PROPOSED RULES:

7	9663
1000	10403

16 CFR

13	9813, 9814, 10205
15	9605, 9606, 9815, 9816, 10205, 10206
245	10332

PROPOSED RULES:

241	10285
-----	-------

17 CFR

231	10086, 10134
240	10389
241	10086, 10134
249	10389

PROPOSED RULES:

230	10406
-----	-------

18 CFR

101	10135
104	10135
105	10136
141	10138
154	10138
201	10136
204	10137
205	10138
620	9877

PROPOSED RULES:

260	10362
-----	-------

19 CFR

1	10140
4	9707
12	9766
16	10445

PROPOSED RULES:

1	10210
---	-------

Page

20 CFR

404	9766
405	9767, 9768
422	9600
614	10086

PROPOSED RULES:

405	10149
602	10266
620	10266

21 CFR

1	10140, 10206, 10391, 10392
2	9608
3	9609
8	9952, 9953
19	10141
27	10087, 10088
29	10392
120	9609, 9610, 9707, 9774, 9880, 9953
121	9610, 9775, 9954, 10207
130	9954
146a	10393
147	10142
191	9880

PROPOSED RULES:

1	9960, 10149, 10283
3	9783, 9960
15	9783
16	9783
17	9783
18	9783
45	9783, 9904
120	9619
121	9783, 9904
125	9783
130	9711, 10283
131	9960
146	10283
166	9833

22 CFR

51	10281
208	9952

23 CFR

255	10207
-----	-------

PROPOSED RULES:

256	10361
-----	-------

24 CFR

200	9775, 10317
203	9816
234	9816

25 CFR

32	9708
----	------

26 CFR

1	9653, 9816
---	------------

PROPOSED RULES:

1	9781, 9830
212	9957

28 CFR

0	9817
47	9819

29 CFR

0	10432
3	10186
4	9880
20	10008
101	9819
102	9819
525	10488
1600	9610

29 CFR—Continued

	Page
PROPOSED RULES:	
4	9904

30 CFR

11	10336
----	-------

31 CFR

7	10088
211	9611, 9708
605	10142

32 CFR

1	10187
2	10187
3	10188
4	10188
5	10190
6	10190
7	10190
10	10196
12	10197
13	10198
14	10199
15	10200
16	10200
17	10201
18	10201
22	10201
163	10446
579	10453
888	9778

32A CFR

OEP (Ch. D):	
DMO 8555.1A	10143
DMP 4	10393
OIA (Ch. X):	
Reg. 1	9900, 10008
PROPOSED RULES:	
OIA (Ch. X):	
Reg. 1	10225

33 CFR

110	9778, 10393, 10454
207	9611, 10456
402	10008

35 CFR

253	10281
-----	-------

36 CFR

PROPOSED RULES:	
7	10346

38 CFR

3	9956
---	------

39 CFR

137	10394
151	10342
822	9657
824	10008

41 CFR

1-1	10393
5-30	9820
8-1	10456

41 CFR—Continued

	Page
8-3	10456
8-10	10456
8-52	10456
9-1	9820
9-4	9820, 10457
9-5	9821
9-7	9820
9-9	9820, 9821
9-12	9776
9-15	9776
9-16	10457
101-11	9777
101-19	9777
101-38	10208
101-43	10009
101-44	10010
101-45	10010

42 CFR

52	9821
53	10145

43 CFR

1850	10394
3120	10343

PUBLIC LAND ORDERS:

238 (revoked by PLO 4491)	10399
317 (modified by PLO 4490)	10398
876 (revoked by PLO 4489)	10398
922 (see PLO 4490)	10398
1195 (revoked in part by PLO 4500)	10401
1327 (see PLO 4482)	10395
1358 (revoked in part by PLO 4467)	9708
1624 (see PLO 4470)	9709
1634 (revoked in part by PLO 4494)	10399
2323 (amended by PLO 4470)	9709
2557 (amended by PLO 4470)	9709
2709 (revoked by PLO 4499)	10401
3152 (revoked in part by PLO 4500)	10401
3584 (see PLO 4500)	10401
3594 (see PLO 4470)	9709
3871 (revoked in part by PLO 4473)	9822
4395 (corrected by PLO 4475)	9822
4457	9614
4458	9614
4459	9614
4460	9615
4461	9616
4462	9616
4463	9616
4464	9617
4465	9617
4466	9618
4467	9708
4468	9708
4469	9709
4470	9709
4471	9709
4472	9902
4473	9822
4474	9822
4475	9822
4476	9822

43 CFR—Continued

	Page
PUBLIC LAND ORDERS—Continued	
4477	9823
4478	9823
4479	10092
4480	10394
4481	10394
4482	10395
4483	10396
4484	10396
4485	10397
4486	10398
4487	10398
4488	10398
4489	10398
4490	10398
4491	10399
4492	10399
4493	10399
4494	10399
4495	10399
4496	10400
4497	10400
4498	10400
4499	10401
4500	10401
4501	10401

46 CFR

2	10047
42	10047
43	10075
44	10076
45	10077
46	10077
310	10281
401	9823
510	10145
524	10089

PROPOSED RULES:

284	10459
-----	-------

47 CFR

1	9657, 10343, 10345
2	9659, 10090
21	9657
87	9659, 9779, 10345
89	10345
91	10345
93	10345

PROPOSED RULES:

2	9665
73	9713, 9829, 9960, 10019, 10224
81	9665
83	9665
87	10020

49 CFR

1033	9780, 10401
1048	9661

PROPOSED RULES:

180	10213
293	10152, 10362
294	10152
Ch. X	10461

50 CFR

32	9709, 10282, 10445
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PART II

DEPARTMENT OF LABOR

Wage and Hour Division

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Employment of Handicapped Clients in Sheltered Workshops



Title 29—LABOR

Chapter V—Wage and Hour Division, Department of Labor

PART 525—EMPLOYMENT OF HANDICAPPED CLIENTS IN SHELTERED WORKSHOPS

On January 21, 1967, a revision of 29 CFR Part 525, required by the necessity of adapting its provisions to the Fair Labor Standards Act Amendments of 1966 (80 Stat. 842), was published in the FEDERAL REGISTER, and made effective immediately. At that time, any person interested in the revision of the part was invited to submit written data, views, or arguments on the revision. After consideration of all the comments received, it has been decided to adopt some of the changes suggested.

Because the public was invited to comment on the revision of the regulation made in January 1967, as if they were commenting on a proposal, I find that further notice and public procedure are unnecessary, and that the present revision of the regulation is exempt from section 4(a) of the Administrative Procedure Act (5 U.S.C. 533(a)) prior to making it effective. Pursuant to authority in section 14, 52 Stat. 1068, as amended; 29 U.S.C. 214, 29 CFR Part 525 is revised as set forth below, effective 30 days after publication in the FEDERAL REGISTER.

The revised 29 CFR Part 525 reads as follows:

Sec.	
525.1	Applicability of regulations.
525.2	Definitions.
525.3	Advisory Committee on Sheltered Workshops.
525.4	Application for a special certificate for a workshop.
525.5	Application for a special certificate for a training or evaluation program.
525.6	Application for a special individual rate.
525.7	Criteria for consideration in issuance of a special certificate.
525.8	Issuance of special certificates.
525.9	Terms and conditions of special certificates.
525.10	Renewal of special certificates.
525.11	Staff workers in sheltered workshops.
525.12	Industrial homework.
525.13	Records to be kept.
525.14	Cancellation of a special certificate.
525.15	Review.
525.16	Submission of information, investigations, and hearings.
525.17	Relation to other laws.
525.18	Issuance of certificates for experimental purposes.
525.19	Amendment of this part.

AUTHORITY: The provisions of this Part 525 issued under sec. 14, 52 Stat. 1068, as amended; 29 U.S.C. 214, except as otherwise noted.

§ 525.1 Applicability of regulations.

The Fair Labor Standards Amendments of 1966 (Public Law 89-601, 80 Stat. 830), among other things, makes substantial revision in the provision of the Fair Labor Standards Act of 1938 (29 U.S.C. 201) for the employment of handicapped persons at special minimum wages. This provision is now codified at

section 14(d) of that Act. It reads as follows:

(d)(1) Except as otherwise provided in paragraphs (2) and (3) of this subsection, the Secretary of Labor, to the extent necessary in order to prevent curtailment of opportunities for employment, shall by regulation or order provide for the employment under special certificates of individuals (including individuals employed in agriculture) whose earning or productive capacity is impaired by age or physical or mental deficiency or injury, at wages which are lower than the minimum wage applicable under section 6 of this Act but not less than 50 per centum of such wage and which are commensurate with those paid nonhandicapped workers in industry in the vicinity for essentially the same type, quality, and quantity of work.

(2) The Secretary, pursuant to such regulations as he shall prescribe and upon certification of the State agency administering or supervising the administration of vocational rehabilitation services, may issue special certificates for the employment of—

(A) Handicapped workers engaged in work which is incidental to training or evaluation programs, and

(B) Multihandicapped individuals and other individuals whose earning capacity is so severely impaired that they are unable to engage in competitive employment, at wages which are less than those required by this subsection and which are related to the worker's productivity.

(3) (A) The Secretary may by regulation or order provide for the employment of handicapped clients in work activities centers under special certificates at wages which are less than the minimums applicable under section 6 of this Act or prescribed by paragraph (1) of this subsection and which constitute equitable compensation for such clients in work activities centers.

(B) For purposes of this section, the term "work activities centers" shall mean centers planned and designed exclusively to provide therapeutic activities for handicapped clients whose physical or mental impairment is so severe as to make their productive capacity inconsequential.

Authority to make the regulations and issue the certificates referred to in section 14(d) has been delegated by the Secretary to the Administrator (General Order No. 45-A of the Secretary of Labor (15 F.R. 3290)). The regulations in this Part 525 govern all certificates and employment pursuant to certificates authorizing special minimum wages for handicapped workers in sheltered workshops. These include some of the certificates which may be issued under paragraph 14(d)(1) of the Act authorizing employment of handicapped workers at wages which are lower than the minimum wage applicable under section 6 of the Act but not less than 50 per centum of such wage. Other certificates of this description authorizing the employment of handicapped persons at special minimum wages are issued pursuant to Part 524 of this chapter for the employment of such persons in competitive employment. The regulations in this Part 525 govern all of the certificates and employment pursuant to certificates issued under paragraphs (2) and (3) of section 14(d) authorizing employment of handicapped workers at special minimum wages which are less than 50 per centum

of the minimum wage applicable under section 6 of the Act.

§ 525.2 Definitions.

(a) "Administrator" means the Administrator of the Wage and Hour and Public Contracts Divisions, U.S. Department of Labor.

(b) "Sheltered workshop" or "workshop" means a charitable organization or institution conducted not for profit, but for the purpose of carrying out a recognized program of rehabilitation for handicapped workers, and/or providing such individuals with remunerative employment or other occupational rehabilitating activity of an educational or therapeutic nature.

(c) "Work activities center" shall mean a workshop, or a physically separated department of a workshop having an identifiable program, separate supervision and records, planned and designed exclusively to provide therapeutic activities for handicapped workers whose physical or mental impairment is so severe as to make their productive capacity inconsequential. Therapeutic activities include custodial activities (such as activities where the focus is on teaching the basic skills of living), and any purposeful activity so long as work or production is not the main purpose. No sheltered workshop or separate department thereof shall qualify as a work activities center if the average productivity per handicapped worker is \$850 or more per year as measured by dividing the total annual earned income of the work program, less the cost of purchased materials used, by the average number of clients in the work program, or, if wage payments are primarily at piece rates, the average annual labor rate per client is \$600 or more as measured by dividing the total annual wages of the clients by the average number of clients in the work program. (The average number of clients shall be determined by taking the average of the total number of clients in the work program on the last day of each quarter in the previous fiscal year, provided such average is representative of the average number of clients employed during the entire year.) No individual worker whose productivity substantially exceeds this average shall be employed at less than the statutory minimum wage under a work activities center certificate. (A handicapped worker, whose productivity substantially exceeds the average, may be certificated under Regulations, Part 524 of this chapter, in rare and unusual cases where necessary to avoid extreme hardship, if he is unable to earn the statutory minimum because of his handicap, and if his production and earnings are included in the averages provided in this paragraph.) Where information is not available for a year, a temporary certificate for not more than 6 months may be issued based on the limited information available, if it is represented that the center expects and has good reason to believe that the conditions hereinabove specified will be satisfied when 1 year's data are available. Information to be considered will include the

severity of disability of the handicapped workers employed, or other pertinent factors.

(d) "Handicapped worker" or "client" means an individual whose earning capacity is impaired by age or physical or mental deficiency or injury, and who is being served in accordance with the recognized program of a sheltered workshop within the facilities of such agency or in or about his home.

(e) "State agency" shall mean the State agency which administers or supervises the administration of vocational rehabilitation services in any State of the United States, the District of Columbia, or any territory or possession of the United States.

(f) "Training program" means a program of not more than 12 months duration, except that longer periods may be approved in unusual circumstances, designed to (1) develop the patterns of behavior which will help a client adjust to a work environment, or (2) teach the skills and knowledge related to a specific occupational objective of a job family, and which meets State agency or equivalent standards.

(g) "Evaluation program" means a program of not more than 6 months duration, except that longer periods may be approved in unusual circumstances, using the medium of work to determine a client's potential, and which meets State agency or equivalent standards.

(h) "Act" means the Fair Labor Standards Act of 1938, as amended.

§ 525.3 Advisory Committee on Sheltered Workshops.

(a) The Advisory Committee on Sheltered Workshops appointed periodically by the Secretary of Labor shall advise and make recommendations to the Administrator concerning the administration and enforcement of this part and the need for amendments thereof from time to time and for such other purposes as may be desired by the Administrator.

(b) The Administrator or his authorized representative may notify the Advisory Committee on Sheltered Workshops prior to the denial or cancellation of any special certificate under § 525.8, § 525.10, or § 525.14 and may afford the Committee 15 days, or such additional time as he may allow, to present its views. The Administrator or his authorized representative may also afford the Committee an opportunity to present its views in connection with any petition for review filed under § 525.15, any hearing held under § 525.16, or any petition for amendment of this part filed under § 525.19.

§ 525.4 Application for a special certificate for a workshop.

(a) Application for a special certificate for a workshop, including a work activities center, may be filed by any sheltered workshop with the Regional or District Director of the administrative region or district of the Wage and Hour and Public Contracts Divisions, U.S. Department of Labor, in which the workshop is located. Application forms may

be obtained from the appropriate Regional or District Director.

(b) The application shall contain answers to all of the questions presented on the form, including, among other things, a description of the nature of the disabilities of the persons served by the workshop, a description of the types of employment and the program provided by the workshop, and the earnings of each handicapped worker engaged in work covered by the Act.

(c) The application shall be signed by the president of the board of directors and a duly authorized officer of the workshop.

(d) A workshop newly applying for a certificate, which does not have individual earnings records on which to establish an appropriate certificate rate, may be issued a temporary certificate under the terms and conditions applicable to work activities centers if it meets all of the requirements in the definition provided in § 525.2(c) and presents satisfactory evidence that all of its clients will be compensated at wages which are equitable compensation for them.

§ 525.5 Application for a special certificate for a training or evaluation program.

(a) Application for a special certificate for training or evaluation programs may be filed by a sheltered workshop with the appropriate Regional or District Director. Application forms may be obtained from the appropriate Regional or District Office.

(b) The application shall contain answers to all of the questions on the form, including, among other things, evidence of State agency certification that the workshop operates a training or evaluation program as defined in § 525.2 (f) and (g), a description of the services to be rendered, the earnings of the trainees and evaluatees engaged in work covered by the Act, and the results obtained with trainees and evaluatees who have participated in the programs during the previous year.

(c) The application shall be signed by the president of the board of directors and a duly authorized officer of the workshop.

§ 525.6 Application for a special individual rate.

(a) A workshop may apply with the appropriate Regional or District Director at the time of applying for a certificate, or during the life of a certificate, for an individual rate for a handicapped worker who is unable to earn the applicable certificate rate. Application forms may be obtained from the appropriate Regional or District Office.

(b) The application shall contain answers to all of the questions presented on the form, including, among other things, information on the nature of the individual's disability, the extent to which it impairs his earning capacity; and justification for a lower individual rate based on productivity records maintained as required under § 525.13(b).

(c) In the case of a request for an individual rate below 50 percent of the statutory minimum applicable under section 6 of the Act, the application in addition shall contain evidence of State agency certification that the individual's earning capacity is so severely impaired that he is unable to engage in competitive employment. Such certification shall be based on an evaluation report made upon recent completion or shortly before such completion of an evaluation or training program as defined in § 525.2 (f) or (g). If an adequate application for an individual rate below 50 percent of the statutory minimum is filed prior to the expiration of the certificate authority of the evaluation or training program, that certificate authority will be continued for the applicant until action is taken on the application. For clients entering a regular work program from a work activities center, a productivity report as required by § 525.13(b) covering the most recent 3-month employment period constitutes an acceptable evaluation report. The requirement that an individual complete a recognized evaluation or training program will be waived until January 31, 1969, for any person employed by the applicant workshop prior to February 1, 1967: *Provided:* (1) Other suitable information is furnished for State agency certification; and (2) the workshop furnishes the Regional or District Director a satisfactory progress report by January 31, 1968, of plans for providing evaluation or training for those persons receiving State agency certification without having completed such programs.

§ 525.7 Criteria for consideration in issuance of a special certificate.

(a) The following criteria may be considered by the Administrator or his authorized representative in determining the necessity of issuing a special certificate and the conditions to be specified therein:

(1) The present and previous earnings of handicapped workers of the workshop engaged in work covered by the Act;

(2) Whether the individual handicapped workers are being paid wages commensurate with those paid nonhandicapped workers in industry in the vicinity for essentially the same type, quality, and quantity of work;

(3) The nature and extent of the disabilities of individuals served by the workshop;

(4) The wages of nonhandicapped employees employed in private industry engaged in work comparable to that performed in the workshop;

(5) The types and duration of medical, educational, therapeutic, social work, and other rehabilitative services given to handicapped workers;

(6) The extent to which the handicapped workers share, through wages, in the receipts for work done in the workshop;

(7) The extent to which the handicapped workers may be learners or otherwise inexperienced;

(8) The extent to which earned operating income, other than normal depreciation allowances, is used for capital expenditures for equipment, buildings, or expansion of activities in situations where the adequacy of the wage rates proposed by the workshop cannot clearly be established;

(9) Whether there exists any workshop-customer arrangement or subcontract agreement which constitutes an unfair method of competition in commerce and which tends to spread or perpetuate substandard wage levels;

(10) Whether, in the case of non-government operated workshops, the organization has obtained an exemption under section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c)(3)) and has registered as a nonprofit organization with the appropriate State or local agencies providing for such registration.

(b) In addition, the following criteria will be considered in determining the advisability of issuing a special certificate for a training or evaluation program:

(1) Whether there is competent instruction or supervision; (2) whether there is a written curriculum and plan of procedures designed to obtain the objectives of the program; (3) whether there are written records made at periodic intervals of not more than 3 months, showing progress of individual clients; and (4) whether in the case of a training program, there is a progression of rate increases as the trainee successfully advances through the steps of the program. The progression of rate increases should be geared to at least the statutory minimum wage if the worker is being trained for competitive employment, or to at least the certificate rate if he is being trained for workshop employment.

§ 525.8 Issuance of special certificates.

(a) Upon consideration of the criteria specified in § 525.7 and if the requirements of this Part 525 are satisfied, the Administrator or his authorized representative may issue a special certificate.

(b) If a special certificate is issued, a copy shall be sent to the workshop. If denied, the workshop shall be notified in writing of the denial and the reasons therefor.

(c) A special certificate may be issued for the entire workshop, a department of the workshop, a work activities center, a training or evaluation program, and individual handicapped worker or any combination thereof.

(d) No special certificate will be issued pursuant to this Part 525 when abnormal labor conditions, such as a strike, a lock-out, or other similar condition, exists at the workshop for which such certificate is requested.

§ 525.9 Terms and conditions of special certificates.

(a) A special certificate shall specify the terms and conditions under which it is granted.

(b) A special certificate shall apply to every handicapped worker in the sheltered workshop or department thereof,

for which the special certificate is granted.

(c) A special certificate shall be effective for a period to be designated by the Administrator or his authorized representative. Handicapped workers may be paid wages lower than the statutory minimum only during the effective period of a special certificate.

(d) Except for special certificates for work activities centers and for training or evaluation programs, and unless a lower special individual wage has been authorized on the basis of an application under § 525.6(c), a special certificate shall provide a minimum wage, or different minimum wages for different departments, but none of them shall be less than 50 percent of the minimum wage applicable under section 6 of the Act. It may provide a minimum wage lower than the applicable workshop or department rate, but not less than 50 percent of the minimum wage applicable under section 6 of the Act, for a specified period(s), designated as "learning period(s)." Such rate may apply during the specified learning period(s) to a handicapped worker who has never previously worked in the workshop, or who is transferred to a skilled or semiskilled job in the workshop at which he has never previously worked, or who has returned to the workshop after such period of separation as would require relearning.

(e) A special certificate issued to a work activities center or for a training or evaluation program need not set a minimum wage (other than required in paragraphs (f) and (g) of this section).

(f) The wage rates paid handicapped workers working at time rates shall be commensurate with those paid nonhandicapped workers in the vicinity in industry maintaining approved labor standards for essentially the same type, quality, and quantity of work.

(g) (1) The wage rates paid handicapped workers working at piece rates shall not be less than prevailing piece rates paid nonhandicapped employees in the same work in the vicinity in industry maintaining approved labor standards. In the absence of industry piece rates, time studies or other tests may be used by the workshop to establish piece rates. Such time studies should be made with nonhandicapped persons, although handicapped workers may be used in those situations where they are not handicapped for the type of work being tested and their production is comparable to that of nonhandicapped persons of average ability. The base hourly rate used in making time studies must be not less than the prevailing rate in industry for work requiring similar skill.

(2) Each handicapped worker working at piece rates must be paid his full piece-rate earnings. Pooling of earnings is not permitted except where piece rates cannot be established for each individual worker, e.g., in a team operation where each worker's individual contribution to the finished product cannot be separately tallied.

(h) A special certificate may provide a lower individual minimum wage for a

handicapped worker unable to earn the workshop or applicable department minimum wage. Such individual minimum wage may not be set at less than 50 percent of the minimum wage applicable under section 6 of the Act, except for a handicapped worker whose earning capacity is so severely impaired that he is unable to engage in competitive employment as certified by a State agency. The individual minimum wage for a handicapped worker so certified may not be less than 25 percent of the minimum wage applicable under section 6 of the Act.

(i) Handicapped workers in the workshop shall be paid not less than one and one-half times the regular rate for all work in excess of the minimum work-week applicable under section 7 of the Act.

(j) A special certificate shall provide that the workshop may not compete unfairly in obtaining subcontract work or in the sale of its products.

(k) No worker or client shall be hired under a certificate issued under these regulations while abnormal labor conditions, such as a strike, a lock-out, or other similar condition, exists in the workshop.

(l) Each handicapped worker in a workshop shall be informed promptly and in writing of the certificate rate applicable to him and of the terms of the certificate. Such information may be provided by a notice in the handicapped worker's pay envelope, or other suitable method.

(m) The terms of any special certificate may be amended for cause, upon request of the sheltered workshop or handicapped worker, or upon the initiative of the Administrator or his authorized representative.

§ 525.10 Renewal of special certificates.

(a) Application may be filed for renewal of any special certificate. It shall be filed in the same manner as an original application.

(b) If an application for renewal has been properly and timely filed prior to the expiration date of a special certificate, the certificate shall remain in effect until the application for renewal has been granted or denied.

(c) Handicapped workers may be paid wages less than the statutory minimum after notice that the application for renewal has been denied, if review of such denial is requested in accordance with § 525.15: *Provided, however, That if the denial is affirmed on review, the sheltered workshop shall reimburse any person covered by the special certificate in an amount equal to the difference between the applicable minimum wage and any lower wage paid such person subsequent to the effective date of denial.*

§ 525.11 Staff workers in sheltered workshops.

No individual who is not a handicapped worker or client within the meaning of § 525.2(d) shall be employed under any special certificate issued pursuant to this part at wages lower than the minimum required under section 6 of the Act. Staff

jobs are clearly identified as such where the duties include supervision of others or a high degree of responsibility such as office manager, bookkeeper, or truck driver, except that truck drivers may be considered as clients in workshops serving alcoholics where it is the practice to select drivers (also called crew leaders) from among the handicapped workers. Some jobs, such as some office and telephone soliciting jobs, are not clearly either staff or client jobs and may be filled by either depending on the policy and practices of the workshop. Where handicapped worker status is indicated for such borderline workers on an application substantiating information may be requested, such as evidence of the use of screening procedures which are ordinarily required for handicapped workers, such as a medical examination, psychological and aptitude testing, etc., the use of rehabilitation services offered by the workshop, and an attempt by the workshop to place the worker in industry.

§ 525.12 Industrial homeworker.

A special certificate issued pursuant to this part, except one for a work activities center, authorizes a sheltered workshop to employ a handicapped worker in or about a home, apartment, tenement, or room in a residential establishment, without the necessity of obtaining a special industrial homeworker's certificate for such person under regulations of the Administrator governing the employment of industrial homeworkers; nor shall it be necessary for a sheltered workshop to obtain a special industrial homeworker's certificate for handicapped workers working in or about a home, apartment, tenement, or room in a residential establishment, who are earning the minimum required under section 6 of the Act.

§ 525.13 Records to be kept.

Every sheltered workshop shall maintain and have available for inspection by the Administrator or his authorized representative records of:

(a) Disability, which show the nature of the handicapped worker's disability. Nonobvious disabilities must be substantiated by medical or psychiatric reports or results of psychological tests, as appropriate.

(b) Productivity, which show the productivity of each handicapped worker on a continuing basis or at periodic intervals not exceeding 6 months. Piece rate or other records which show productivity on a continuing basis must also show the average expected production for a nonhandicapped person and either the piece rate paid in commercial industry or the average expected earnings of a nonhandicapped person for the production shown. Where productivity is measured by means of progress reports, records must relate the worker's performance to that of a nonhandicapped person receiving the prevailing wage in industry for similar work or work requiring similar skills. Records of time studies made to establish piece rates must be kept.

(c) Learning periods, when such periods are authorized by the certificate, which show the daily hours worked by each handicapped worker during the learning period(s), and the cumulative total of such hours.

(d) When evaluation or training periods are authorized by the certificate, records designating which workers are evaluatees and which are trainees, and the total period of time they have been in such a category.

(e) When a sheltered workshop holds both a work activity center certificate and a regular program certificate, records showing which workers are under each certificate.

(f) Records showing the handicapped workers for whom special individual rates have been authorized.

(g) Pricing of work, which show that part of the unit prices which are allocated to direct labor (labor rate) and the average expected earnings of nonhandicapped workers at a normal expected production rate. Records of time studies made to establish prices must be kept.

(h) Documents relating to State agencies' certification including copies of training or evaluation agreements, authorizations for extensions of such periods, progress reports made during such periods, and evaluation of other reports on which a judgment relating to certification was made.

(i) In addition, the records required under all of the applicable provisions of Part 516 of this chapter, except that any provision pertaining to homeworker's handbooks shall not be applicable to handicapped workers of a sheltered workshop working in or about a home, apartment, tenement, or room in a residential establishment.

(j) Every sheltered workshop having workers who are entitled to benefits under the Act shall at all times post a poster, as prescribed by the Administrator, in a conspicuous place in the workshop where it may be observed readily by the handicapped workers and other workers in the workshop.

(k) Records required by this § 525.13 shall be preserved for a period of at least 2 years.

(Sec. 11, 51 Stat. 1066, as amended; 29 U.S.C. 211)

§ 525.14 Cancellation of a special certificate.

(a) The Administrator or his authorized representative may cancel any special certificate for cause. A special certificate may be canceled (1) as of the date of issuance, if it is found that fraud has been exercised in obtaining the special certificate or in permitting a handicapped worker to work thereunder; (2) as of the date of violation, if it is found that any of the provisions of the Act or of the terms of the special certificate have been violated; or (3) as of the date of notice of cancellation, if it is found that the special certificate is no longer necessary in order to prevent curtailment of opportunities for employment, or that the requirements of this part have not been complied with.

(b) If a petition for review is filed under § 525.15, the effective date of the cancellation shall be postponed until action is taken thereon: *Provided, however*, That if the cancellation order is affirmed on review, the workshop shall reimburse any person covered by the special certificate in an amount equal to the difference between the applicable minimum wage and any lower wage paid such person subsequent to the effective date of cancellation.

(c) Except in cases of willfulness or those in which the public interest requires otherwise, before any special certificate shall be canceled, facts or conduct which may warrant such action shall be called to the attention of the sheltered workshop in writing and it shall be afforded an opportunity to demonstrate or achieve compliance with all lawful requirements.

§ 525.15 Review.

Any person aggrieved by any action of an authorized representative of the Administrator taken pursuant to this part may, within 60 days or such additional time as the Administrator may allow, file with the Administrator a petition for review. Such review, if granted, shall be made either by the Administrator or by an authorized representative who took no part in the action under review, who may, to the extent he deems it appropriate, afford other interested persons an opportunity to present data and views.

§ 525.16 Submission of information, investigations, and hearings.

The Administrator or his authorized representative may require at any time the submission of such information, other than that specified elsewhere in this part, as is deemed appropriate or may conduct an investigation, which may include a hearing prior to taking any action pursuant to this part. To the extent he deems appropriate, the Administrator or his authorized representative may provide an opportunity to other interested persons to present data and views.

§ 525.17 Relation to other laws.

Nothing contained in this part shall be construed as authorizing any act that is contrary to any Federal or State law or municipal ordinance.

§ 525.18 Issuance of certificates for experimental purposes.

In addition to the issuance of certificates as provided in §§ 525.1 to 525.18, the Administrator may authorize the issuance of certificates to permit employment of handicapped workers or clients of a sheltered workshop at less than the applicable minimum wage under section 6 of the Act as part of experimental programs to increase employment opportunities for such persons. Such certificates shall be issued in such types of cases and on such terms and conditions within the scope of section 14 of the Act as the Administrator shall determine will best further any such experimental programs.

RULES AND REGULATIONS

§ 525.19 Amendment of this part.

The Administrator may at any time upon his own motion or upon written request of any interested person setting forth reasonable ground therefor, and after opportunity has been given to interested persons to present their views, amend or revoke any of the terms of this part.

NOTE: Section 50-201, 1102 of the Public Contracts Act Regulations (41 CFR Part 50-201) provides that any certificate issued pursuant to Regulations Part 525 authorizing the employment of a handicapped worker

under the Fair Labor Standards Act shall constitute authorization for the employment of that worker under the Public Contracts Act in accordance with the terms of the certificate.

Signed at Washington, D.C., this 17th day of July 1968.

CLARENCE T. LUNDQUIST,
*Administrator, Wage and Hour
and Public Contracts Division,
U.S. Department of Labor.*

[F.R. Doc. 68-8708; Filed, July 22, 1968;
8:45 a.m.]

